

4TH EDITION



Managing Information Services

An Innovative
Approach

JO BRYSON

Managing Information Services

This fourth edition of Jo Bryson's highly regarded *Managing Information Services* has been thoroughly revised with an emphasis on innovation. Operating in a digital era, libraries must innovate to survive and grow. This means librarians having radical ideas which challenge the status quo, shifting strategic directions to change the way services are managed, and developing new skills and knowledge. Challenges include developing new uses for floorspace, where shelving is being replaced by mobile networking, and new practices and procedures for managing new products such as e-books and self-service. Libraries can achieve long-term sustainability by information managers having more creative responses and developing innovative thinking. Essential reading for information students, this text also serves as a comprehensive and detailed reference on the key management topics for information service managers.

Jo Bryson is a senior management consultant and international speaker in strategy, planning and corporate governance. Her current consulting role involves assisting Chief Executive Officers and Boards lead, transform and change the strategic direction of their organizations. Previously Jo held executive management positions in the library, information and IT sectors at state and international government levels.

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*In memory of
Professor Nick Moore
12 May 1949–28 January 2015*

This book is dedicated to Professor Nick Moore, who was instrumental in my writing these management texts as well as being an inspiring mentor, professional colleague and dear friend. Nick passed away suddenly and unexpectedly whilst I was in the middle of writing this edition. He will be sadly missed by the many people whose lives he touched and encouraged to seek success across a number fields.

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Preface

There are three kinds of organizations: those who make things happen, those who watch things happen; and those who wonder what's happened.

Anonymous

This opening quotation paraphrases the very essence of management and leadership. It is equally applicable to individuals who are today's leaders and those who aspire to be in the future as to organizations. Successful, innovative leaders position and make things happen in an unpredictable, challenging and changing world. My desire in writing this book is to capture the essence of leadership that innovates and makes things happen. Aspiring future leaders and their associates may already work in small to medium sized organizations, or be embarking on their first or subsequent career as a student in information science, librarianship, records management, and information and communications technology (ICT). The book therefore has a dual purpose: as a management handbook as well as a management textbook.

Organizations, leaders, project managers and individuals take a journey of life, along the path of which they encounter challenges and opportunities that arise from within or through external forces. *Managing Information Services: An Innovative Approach* has been written to equip them for this journey in an age of paradigm shifts in the way information services are delivered. Operating in a digital era and virtual world, information services must innovate to survive the shift. This means having:

- people who can bring radical ideas to the table that challenge the status quo and place the services ahead of others;
- an understanding that complete shifts in strategic direction are required to change the way services are managed and delivered in a virtual world;
- new uses of floor space and services in an era where bricks and mortar are being replaced by mobile networks;
- new skills and knowledge such as digital rights management and maximizing the use of crowd sourcing and social media; and
- new e-services, practices and procedures to manage new products, for example e-books and e-journals as well as new self-service processes such as self-issuing of books.

In this edition the terms 'digital era' and 'virtual world' are used interchangeably to portray an operating and e-service delivery environment that is online.

A continued theme throughout the book is the need to shift mindsets and strategically position and transform information services to meet current and emerging needs in a digital and virtual world. Organizations and individuals have to:

- map out their future direction and be ready to take up the challenges and potential openings in the digital era;
- adopt new mindsets and create new directions in e-services;
- successfully manage dilemmas and obstacles with the view to these being tomorrow's opportunities; and

- make the right decisions as to which path to take in rapidly changing business and societal environments.

The underlying philosophy is that anything is possible, and if looked for, solutions can be found for even the most exceptional and extraordinary circumstances.

Common themes that centre on innovation and leadership occur throughout the book and include:

- instilling a passion for what can be possible in the future through dynamic leadership and innovation that involves vision, personal energy and commitment;
- encouraging others to succeed beyond their dreams by fashioning a creative and inspiring environment, sharing enthusiasm and generating the desire to excel;
- turning challenging environments into opportunities, especially where the information service has been energized from within;
- rethinking information services in a virtual age so that they are sustainable yet dynamic; and
- instilling flexibility to withstand strategic shocks and cope with unpredictable and changing circumstances.

This edition continues the theme of integrating the disciplines of librarianship, records management and archiving, information systems, computing and telecommunications to promote an integrated approach, as well as the scenario in which institutions such as art galleries and museums that have similar cultural and social capital business drivers to libraries join forces to provide a rich integrated customer experience. However, this edition considers a major difference in service delivery to previous editions, that is, the concept of e-service. This service has been brought about by global integration and the mainstreaming of Web 3.0 and 4.0 tools that present opportunities and alternative models for libraries and information services. The physical presence, the high street library, is being replaced by the virtual presence, websites and globalized services. Whilst there may be a human presence responding to a query, the physical presence of the enquiry desk is disappearing. Instead it is replaced by an electronic chat line from a laptop, tablet or mobile phone in an anywhere, always on environment.

Rethinking service delivery away from its traditional siloed institutional, professional and media focus towards an integrated multimedia approach can also place services on a more sustainable footing as well as delivering a richer and more efficient citizen-centric experience.

Managing Information Services: An Innovative Approach adopts the reality that information services exist in a market space, rather than the traditional market place. This is a global, connected and always-on environment where integrated multi-channel service delivery is required to meet different customer and workplace generational needs and expectations. It is also an unpredictable world where seeking competitive advantage and managing change is not good enough. Successful organizations need continually to invent the next advantage and make themselves financially, environmentally and physically sustainable, using bright ideas, information, knowledge, creativity and innovation to do so. They must also build individual and organizational capability to create, engage and sustain change and protect their corporate reputation in the global media environment.

The concept of the parent organization is used throughout the book. This refers to the corporate environment in which the information service operates. It may be the local government authority, government department, private sector organization, research

centre or academic institution. It is an important concept as the environment of the parent organization often shapes the environment of the information service. Within this environment, the information services manager plays a role in transforming the information service as well as contributing to and working with executive management to transform the parent organization. Many of the topics are scalable in terms of understanding the management issues at different levels within the parent organization. For example, they can be used for reference to assist in the day-to-day management activities of the information service. They can also be used to provide an understanding of the wider organizational management issues that occur in the parent organization.

Orientation

The contents of *Managing Information Services: An Innovative Approach* reflect a framework of excellence of five critical success factors for the future:

- understanding the management influences in a virtual global landscape
- positioning for a digital future through strategy and planning
- leadership and innovation in a virtual world
- governance and social responsibility to support transparency and accountability
- customer and market focus to ensure competitiveness.

Part I, 'Management Influences in a Virtual Global Landscape', provides an understanding of the concept of management and its importance in transforming organizations in a digital era. It provides context to the challenges of managing for the future and survival in a global and virtual world. It identifies different mindsets and approaches required in this environment and describes the various managerial roles and responsibilities, skills and mindsets that can be found in organizations. In providing context to the unpredictable and chaotic environment in which information services operate, it considers the drivers of change and the strategic influences being felt in both the internal and external environment.

Part II, 'Strategy and Planning', acknowledges the importance of planning and positioning for a digital future. It provides an integrated approach to strategic and scenario planning, as well as the specifics of how to:

- plan, attract and retain the best and most talented workforce;
- ensure value for money and a sound financial future;
- realize the true value of knowledge and information for competitive advantage and profitable business outcomes;
- take a smarter approach to technology and other strategic assets.

Whilst there is a chapter devoted to managing each of the resources in an innovative manner, the underlying approach is that they are planned as an integral part of the strategic planning process.

Leadership is a further critical factor in ensuring success and sustainability in a digital world. It involves engaging change and creating the right innovative corporate environment as well as smoothing conflict situations, motivating and communicating with individuals and groups. 'Leadership and Innovation' is the theme of Part III, which concentrates on how to use leadership and innovation as change agents to future-proof information services so that they can embrace an organizational philosophy and culture in keeping with the demands of the digital and virtual world.

The theme for Part IV is 'Governance and Social Responsibility', which are very necessary requirements in times of global uncertainty and the need for sustainability. It includes a chapter on managing for sustainability as well as corporate governance principles, ethics and codes of conduct. Power, influence and authority are brought together and considered in a chapter on accountability. Decision making is given a higher priority in ensuring transparency in organizations and a section is included on understanding perceptions and intuition. The chapter on evaluating benefits and performance addresses how to realize benefits, to enhance the return on investment through adding value, price for services, as well as strategies for measuring and evaluating performance.

The competitive global environment is introducing new risks for organizations. Risk factors increasingly involve security, including information security, physical security and the risk of damage to the organization's reputation and image. All of this can have financial, political, competitive, legal, human or technological impacts. With this in mind, risk management and security make up the remaining chapters in Part IV.

The final and most critical success factor is having a customer and market focus in service delivery. Part V, 'Customer and Market Focus', deals with defining and managing the end products and services that result from all of the other activities in the book. It contains chapters on strategic marketing approaches to increase the competitiveness of the information service and its parent organization, managing the corporate image and ensuring service quality. These ensure that services and products are delivered in multi-channel environments that meet the needs of customers.

The final part of the book, 'Survival and Success', brings together all of the parts of the book to explain its innovative approach.

Acknowledgments

This book builds upon a rich source of ideas that have accumulated from over 30 years of experience that has taken me on a journey from managing large public library systems, lecturing in information service management, setting the strategic direction for ICT as a government chief information officer, and now global management consulting and mentoring for not-for-profit organizations. This journey has taken place in the public and private sectors as well as academic institutions, and at local, national and international levels. I have learnt a great deal from my interactions with my team members, managers, peers, students, colleagues and friends that have been part of this journey over the years. Some of this has been what not to do, as well as what to do. There are too many people to thank individually, but you know who you are and I am grateful for the opportunity to have shared moments in my working life with you all.

Ideas have also come from discussions and writings in general management and information management. I appreciate the time that others have spent in sharing and documenting their wisdom and knowledge.

Finally, I wish to thank my husband, Dr Vic Fazakerley, for his support and constructive feedback whilst I have been writing this and the previous editions, and all of the staff at Ashgate Publishing who have provided support and encouragement over the years.

In closing, I have written this edition to continue to share my passion for information services and to give something back to those working in these disciplines, so that they may inspire others and excel in challenging environments.

Jo Bryson, Yallingup, Western Australia
February 2016

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PART I

MANAGEMENT INFLUENCES IN A VIRTUAL GLOBAL LANDSCAPE

The theme for Part I is understanding and managing the influences and drivers present in an unpredictable and increasingly complex digital environment; where survival and success is often founded on innovation and creating the next advantage from within. This requires an unprecedented measure of risk taking, cleverness, ingenuity and flexibility on the part of managers. They need to foresee and make sense of threats in the changing landscape that is typical of the virtual global environment, whilst being highly creative and inventive in seeking out new opportunities.

To put this in context, Chapter I explores a number of challenges facing management in the changing world of today; many of which can be overcome through innovation. It explains some of the skills, new mindsets and roles of managers that are necessary to be innovative in meeting these challenges.



Figure PI.1 Management influences in a virtual global landscape

Managing in the Digital Era

Challenges for Information Services

As the virtual world unfolds and Web capabilities expand, libraries and information services must undergo radical change to survive and grow. The online or virtual world is challenging basic assumptions in economies, societies and lifestyles and leading to paradigm shifts in service delivery. For example, Web 2.0 allowed users to interact with and create resources with one another through crowd sourcing, social media and online resources such as Wikipedia. Web 3.0 enabled online shopping that has created a global market place, basically free of import duties and no longer reliant on built infrastructure. This presents an alternative model for library and information services, where the physical presence, the high street library, is being replaced by the virtual presence, e-services. Once ordered via a smart phone application, books and other materials can be shipped from library warehouses direct to the consumer's location, which is itself identified through geospatial technology loaded on the smart phone. Even at the ordering stage, e-services can offer a chat component where questions can be answered about products and services by a library or information expert online. This global market place offers greater convenience, variety and choice, often at a cheaper price.

Web 4.0 developments go even further. Global integration that delivers global transparency, governance, distribution, collaboration and participation enables libraries to participate in global, information-centric, collaborative ventures to deliver 24×365 services. Such global alliances between libraries and information services means that when one service is closed, their and their partners' client needs are satisfied online by another partner operating in its normal business hours in a + or – 8 hour time zone.

Web 4.0 technology will further change the way we do business and communicate and are entertained. The web of things – inanimate objects such as household items (fridges, security systems) or cars that currently can communicate with each other – will be supplemented by the web of thoughts – ultra-intelligent agents embedded in wearable technology devices that will read human emotions and intelligence.

Embracing these radical changes means that libraries and information services are reliant on innovative ideas that:

- are future oriented and challenge the status quo;
- significantly shift strategic direction (paradigm shift);
- involve new uses for floor space, as bricks and mortar are being replaced by mobile networks;
- maximize the use of crowd sourcing and social media; and

- necessitate different skills and knowledge such as digital rights management, social media management, online community management and other monitoring skills that safeguard an organization's brand and online reputation.

To illustrate this, Parker et al. (2005:176) quotes Troll (2002) on the future of libraries, a statement that is still relevant today.

As libraries struggle with the fallout of the digital age, they must find a creative way to remain relevant to the twentieth century user who has the ability and means of finding vast amounts of information without setting foot in a brick and mortar library. . . . The freely accessible information on the web, in conjunction with the escalating costs of library materials, threatens the traditional mission of libraries to create and sustain large, self-sufficient collections for their patrons.

By seeking and shaping opportunities, generating new ideas and producing creative outcomes in e-services, libraries and information services can remain relevant in the virtual world. Indeed, their abilities to create, share and use knowledge remain key factors in the creation of wealth and high-value employment, in stimulating creativity and sustainability, and in improving the quality of life and social value.

Managing for the Future and Survival

To manage today's challenges, leaders and organizations have to understand technology developments and impacts, be entrepreneurial, and think and act in new ways to anticipate change and:

- sustain their impetus and operations;
- develop new business opportunities and advantages;
- attract and retain people who are creative, have innovative mindsets and skills in ideas generation;
- better utilize their knowledge and information, including social networking tools;
- transform and rejuvenate existing products and services; and
- prepare for sudden, unprecedented shocks.

Whilst customers now expect to see seamless e-services across multiple channels that are tailored to need, not all customers have the same needs and expectations. Employees' as well as customers' needs and expectations will differ according to their age group or generation, physical locality and personal circumstances. Therefore the information service must be prepared to deliver different solutions for different generations to meet different circumstances and sustain these in an environment of dwindling financial resources.

Integrated channel services that include push e-services to tablets and smart phones, social networking and Web tools such as chat lines, e-journals and e-books, traditional one-on-one service delivery and Web-enabled transactions increase the level of customer convenience and can reduce costs. Moving customers to physical self-service such as checkouts or online Web self-service, e-journals and e-books reduces counter staff and other overhead costs as well as the amount of travel, time and expense for the customer.

No matter what their title, as Chief Information or Knowledge Officer or Library and Information Services Manager, the occupants of these roles will be innovators and strategic change managers. They will need to re-conceptualize their function and reinvent themselves

as challenges, needs and opportunities come along. Those supporting business and corporate environments, research and development institutions will be at the forefront of change as their abilities to offer new information and e-services, as well as other creative uses of ICT will be critical to the sustainability and entrepreneurial success of their parent organization. They will need to be imaginative, resourceful, proactive and versatile.

Uncertainty and change present new challenges that need to be managed from different perspectives in order to survive and prosper in the future. Progressive organizations have recognized that their imagination, creativity and consequential business advantage are predicated on educated and skilled people who can create ideas, share and use knowledge well. They look for ways to increase the level of innovation by establishing corporate values that encourage openness and originality. Information technology and business applications are also important to connect and harness collective intelligence.

The funding base for many information services is dwindling, whilst at the same time there is greater demand for knowledge and information in the corporate environment and by people making lifestyle and other decisions concerning their future. Managing in this environment requires the ability to make smarter and resourceful decisions; especially in ensuring the sustainability of services in an era of decreasing financial contributions and loss of corporate knowledge.

At a local community level social media is being used to share knowledge about community events, understand issues surrounding environmental sustainability and support diversity in lifestyle. In these environments, the opportunity also exists for information services to be valuable social entrepreneurs that develop social capital by developing e-services that help people live, learn, grow and connect.

New Skills, Mindsets and Approaches

Management today embraces a way of thinking, an attitude and behavioural style that is global and innovative. Whilst strategic thinking, technical, interpersonal, knowledge-enabling, conceptual and analytical skills are still used, they are applied with a different mindset; for it is personal drive and initiative, a passion and an openness of mind that makes a difference. Those that really transform organizations incite a passion in others, build an organizational capability to view adversity as a challenge, and look for new opportunities in fast-changing environments.

CREATING AND SHARING THE VISION

First and foremost, leaders and managers have to inspire others to think creatively – building and sharing a vision for the future of the information service in a virtual world. As well as painting a picture that describes what future e-services may look like, good managers exhibit leadership and build total commitment, enabling everyone to identify personally with and own the vision, working as a team to achieve it. In inspiring others and in creating a common identity amongst individuals, managers will use creative flair as well as communicating, networking, motivating and leadership skills.

Effective managers are able to create a mental picture of different future scenarios and to visualize the library, its organization and community in a preferred future space. Strategic thinking skills are also necessary in order to capitalize on these ideas through opportunity and innovation, as well as in considering the implications, interdependencies and possibilities of a huge range of issues.

Strategic thinking skills also include inspiring a sense of purpose and direction for others, and encouraging people to think beyond their traditional boundaries to a very different

future. Advocacy and championing are also important roles in developing an understanding in others of the organization's vision, purpose, value and usefulness. Finally, good judgement, intelligence and common sense are required to make the right call and to manage the many varied and sometimes competing issues.

CREATING CREATIVE ENVIRONMENTS

A creative environment is fostered through leadership and management skills and mindsets that support and actively encourage people to think differently and bring their creative talents and ideas to work. It is based on the philosophy that everyone has the capacities to solve problems in unique ways, to conceive bright ideas and to use entrepreneurial thinking, but many are discouraged to do so. The management role is to encourage creative thinking, and, unlock or free up know-how, talents, skills and expertise in people so that they can be used for everyone's benefit.

Developing creative and innovative thinking is an activity that should be employed at all levels of management. Senior management need to be innovative in their thinking, whilst building and demonstrating their commitment to a corporate culture that values ideas generation, open communication and entrepreneurial thinking. Management also need to sustain this commitment through their actions year after year – championing their cause, motivating and preparing others to readily accept innovation and change.

HAVING A GLOBAL PERSPECTIVE

The increasing global focus on external contexts and stakeholder relationships that is a result of the virtual world is driving the need for an innovative and international perspective to e-service delivery. Whilst information has historically been sourced globally, service delivery has tended to be localized. Multinational corporations, virtual operations, international collaboration in approaches to research and development and universal access now mean that service delivery spans continents with its associated management and technical implications for libraries and information centres.

Having a global perspective or mindset entails the ability to look world-wide for opportunities and threats that will have an impact on service delivery and the organization itself. Examples include being prepared to seek answers from elsewhere, delivering e-services to portable devices any time any place in the world, considering best practice in e-service delivery that has worked in other places, being comfortable in managing multicultural environments, being open to ideas and having a global view of the library and information service market.

INSTILLING A PASSION

Instilling passion into organizations is part of the visionary mindset and talent of a good leader. In shaping and driving the strategic directions for the organization, effective leaders demonstrate a passion for what they believe the organization can achieve and instil this in others, whilst having the capacity to remain focused on strategic outcomes in turbulent and changing environments. Passion is also necessary to create enthusiasm. People who have passion demonstrate a natural eagerness for results and dedication to the achievements of the organization that ignites keenness in other team members.

Leaders and managers that instil passion are self-motivated, decisive and have a flair for getting things done in extraordinary circumstances and for stimulating others to achieve individual and corporate success. Demonstrating Type A characteristics, they are highly

energetic and enthusiastic people, usually with a strong innovative capacity. They possess a strong commitment to personal achievement and in getting others to achieve, especially in areas where there are competing demands and multiple agendas.

STRIVING FOR EXCELLENCE AND QUALITY

Striving for excellence and service quality in the design and delivery of customer-centric e-services and products takes a similar drive and commitment to instilling a passion in the work place. However, design and delivery are only part of the equation. Of equal importance is the customer relationship management, service experience and service support that encourages the continual use of the e-service or product. A holistic approach is necessary that instils excellence and quality into the culture and psyche of the organization, extending through every step of the value chain and throughout the complete life cycle of the customer interface.

Ensuring an organizational commitment to excellence and quality is also a strategy that leads to a more cost-efficient and sustainable future. Designing and carrying out a task right first time, every time avoids the need for repetition and duplication of effort. However, it requires a mindset and attitude that values and distinguishes perfection and attention to detail, and which is translated into activities, processes and procedures at all levels of the organization.

BUILDING AN ORGANIZATIONAL CAPACITY TO CREATE AND EMBRACE CHANGE

To succeed in rapidly changing environments, libraries and information services must seize opportunities quickly, rapidly redesigning their information products and services to assist the organization in meeting changing customer and employee needs. Success will be predicated on finding new and cost-effective ways of doing things that exceed customer expectations and in an environmentally friendly manner and which assists in the attraction and retention of staff.

This involves:

- creating and leading an imaginative and dynamic work environment that thinks differently and can face new issues and rapidly changing priorities on an almost daily basis;
- developing the right organizational and individual capabilities to embrace and endure strategic change and new technologies; and
- encouraging people to be extremely adaptable and enthusiastic about work, to think innovatively and critically, to learn quickly and to be immediately responsive to external influences.

Strategic change management skills also include devising and implementing strategies to reshape and implement the future, and being able to clarify and minimize uncertainties for others. Managers with good change management skills display resilience to pressure, can remain focused on the tasks and outcomes, and demonstrate personal courage and coping skills in times of adversity.

DRIVING ORGANIZATIONAL RENEWAL

Linked to the previous skill is the need to keep reinventing or renewing the organization. This is for two reasons: as organizations grow they follow a path that reaches a peak; this is

the point at which the organization must renew itself to achieve even greater outcomes and success, and to avert decline. Secondly, in a competitive world organizations need to keep inventing the next advantage that puts them ahead.

Renewal can come in many forms: in new ways of thinking or doing things differently to achieve greater productivity, in developing new products or e-services, or taking a different perspective of risks and turning these into opportunities. Redesigning digital and virtual information services in the always on, anywhere, anytime environment, or rethinking and integrating cultural and other services for a one-stop integrated customer service provide perfect examples of organizational renewal.

EXPLOITING TECHNOLOGY FOR BUSINESS OUTCOMES

Adapting to using new technology opportunities and new versions of software functionality are fundamental skills required of people at all levels of the organization. These skills are developed on the job or through formal education and training programmes. However, using technology as a tool or catalyst to develop product opportunities and further enhance service delivery requires more.

Keeping in tune with technology advances and exploiting these for customer-centric service delivery in the always on, anywhere, anytime environment is an imperative for e-service delivery. It is a business not a technology issue. Social networking tools, mobile commerce and other connectivity solutions have redefined service delivery by moving customers to more self-sustaining and cost-efficient self-service as well as providing interactive and customized services to a variety of hand-held devices, any time, any place. Customer relationship management tools, Web-enabled technologies such as Skype and FaceTime and cloud computing are also driving change and managers must understand the business implications and opportunities of each emerging technology.

BUILDING TALENT AND INTELLIGENT AND LEARNING ORGANIZATIONS

In order to maintain a presence in a rapidly changing and uncertain world, successful organizations and communities need to be intelligent or learning organizations. Intelligent organizations value individual talent, intelligence and knowledge and enable people to network, share and exploit their talents, aptitudes and knowledge for personal, organizational and community success. Learning organizations institutionalize training and personal development as an ongoing part of the work process and an essential component of implementing a corporate memory system.

Managers in libraries and information centres can play a significant role in creating, building and sustaining intelligent organizations and communities. This includes working alongside the other managers in creating and leading a knowledge-intensive culture and focusing on strategies that support and nourish organizational learning, innovation and knowledge creation.

Whilst some knowledge and information comes from published and unpublished sources in hard copy and digital environments, the more strategic knowledge and information is obtained through intelligence gathering, building personal networks with customers, distributors, suppliers, past and present employees, consultants and business contacts. This means allowing individuals time and space to give more attention to creating, managing and valuing their interpersonal and institutional networks, relationships and norms as well as building cooperation and trust. Some of this will be done face-to-face, the rest being maintained electronically.

MANAGING THE POLITICAL AGENDA

To move ideas forward, managers must know how to get things done within the parent organization, how to lobby and constructively use their persuasive skills and power to drive the change. This requires them to interpret correctly the political environment, to 'open doors', to identify supporters and sponsors, and to quickly build networks, commitment and support. Political skills include demonstrating astuteness in acting on intuition and making judgements on emerging or complex issues of a political nature. It includes anticipating events or being able to deal with matters before they become damaging issues.

In the global virtual world, where news travels fast and reputational impacts are felt worldwide, managers must continually identify and take action to minimize the effect that actions and external political influences can have on their organization. Whilst not ignoring political messages, minimizing political intrusions on people helps ensure the smooth running of the organization, allowing people to get on with their job of achieving their required targets and outcomes without being hindered by unconstructive external pressures.

EFFECTING ETHICS AND INTEGRITY

Much more attention is now being placed on the corporate responsibility to act ethically and with integrity, instil public and social accountability, engender transparency and pursue excellence: all of which includes the concepts of legitimacy, fairness and ethics. Whilst each individual has a personal and professional responsibility to act ethically and with integrity, managers at all levels in the organization have the responsibility to set and ensure compliance with ethical standards and demonstrate by example issues such as honesty, fairness and equity, respect and integrity, and accountability. Such standards should define what is right and wrong in terms of the conduct of individuals and how those in a position to influence materially the operations of the information service should operate.

In addition to ensuring compliance with legal and regulatory regimes, senior executives also have responsibilities for establishing management oversight roles and putting the correct governance systems, practices, procedures and corporate culture in place to support accountability and the capacity to make the right decisions throughout all levels of management.

MANAGING FOR A SUSTAINABLE FUTURE

Linked to corporate and social responsibility is the need to manage for a sustainable future. This is a challenging role for managers and includes:

- having the foresight and intellectual capacity to endure and confront financial, environmental, technological and workforce challenges;
- being innovative in anticipating future scenarios;
- implementing strategies and optimizing resources in an environmentally friendly way, including reducing energy, waste and costs; and
- making decisions and carrying out programmes and projects in a manner that maximizes benefits to the natural environment and humans, their cultures and communities, while maintaining or enhancing financial viability.

Sustainability is not limited to financial, economic and environmental issues. As the number of people of working age in the developed and developing world rapidly declines, workforce sustainability will increase in its importance. In addition to offering employees flexibility

in working conditions, increased remuneration and meaningful corporate values, other creative approaches will also be required to position the organization to become an employer of choice.

BUILDING PRODUCTIVE RELATIONSHIPS

With the greater emphasis on building a better understanding of the external environment and customer-centric services, relationship-building skills are becoming increasingly important. Relationship-building and interpersonal skills are used by all levels of managers in interacting with people, internal and external to the organization as well as in understanding and motivating others, both individually and in teams. They are used to maintain a network of contacts and relationships through which the organization's objectives are achieved. Interpersonal skills are also used to communicate the vision both internally and externally, in negotiating, lobbying and in promoting the organization to stakeholders.

Relationship-building and interpersonal skills include being able to listen to other viewpoints, to understand and adapt the desired message to meet the needs of different audiences, and to build a rapport with people. They also embrace the abilities to negotiate and put forward viewpoints in a persuasive manner where there is a contest of ideas and disparate views. They are used to cultivate productive working relationships and partnerships with a diverse range of stakeholders, including by:

- networking to obtain information about competitors and other developments in the external environment;
- building trust and nurturing relationships with others;
- sourcing finance and supplies;
- getting people to cooperate and collaborate with each other;
- creating an environment in which tasks are effectively and happily accomplished;
- discussing needs and delegating;
- guiding and mentoring people; and,
- translating policies into actions.

Levels of Management

Blurring boundaries brought on by the introduction of mobile and virtual communications technologies, changing cultures and values of employees, and the integration of services are changing organizational structures. The traditional triangle shape has long been flattened, with the mid-level and line management strata replaced by flexible teams and team or divisional leaders in a star or networked arrangement. Now Web 3.0 and Web 4.0 tools and beyond are influencing and reshaping hierarchies and boundaries within organizations so that it is becoming more difficult to identify where the organizational barriers are, or even if they exist.

Within this scenario of blurred organizational structures there are still special mindsets, functions and activities that distinguish the roles and responsibilities of executive management from team and divisional leaders.

EXECUTIVE MANAGEMENT

The executive management team comprises the most senior members of the organization who together with the Chief Executive shape the strategic direction and future of the organization and build the organization's capacity to embrace change. The information

services manager or Chief Information Officer may be part of the executive team. To reach and sustain their position, executives must have strong personal drive and initiative, strategic and organizational change management skills, as well as personal passion.

Significant strategic shifts in thinking may be required in positioning the organization to survive and succeed in challenging and changing environments. As a result, senior executives need imagination and ingenuity, and sound political, relationship-building and interpersonal skills. Theirs is a boundary-spanning role. They are the interface between the organization and major stakeholders, those who have a stake or strategic interest in the organization. They spend time troubleshooting and managing the political environment, lobbying and negotiating on issues that have an impact on the organization’s business strategies.

Senior executives spend a considerable amount of time with their executive peers in the industry and strategically building their client base – with stakeholders such as board members, financiers and important suppliers. Most of their work is verbal and is often reactive. They receive short snatches of information that they have to piece together to anticipate the future, grow the organization and chart the way forward, keeping the organization ahead of its competitors and determining the changes that are advantageous to the organization. These intelligence-gathering exercises are not just for their own benefit. Intelligence sharing is paramount in an age where survival and success rely upon knowledge and ideas to create new and innovative offerings and make the right decisions in an uncertain environment. In differentiating the organization from others executive managers also need a sound understanding of how technology can be exploited for successful business outcomes.

Finally, reflecting society’s expectation for increased corporate accountability and commensurate regulatory regimes executive managers are renewing their emphasis on leading strong corporate commitments to good governance and accountability, innovation, excellence and quality, and ethics and integrity.

Primary Management Roles

Skills and Mindsets

Executive Management

Establishes vision and strategic business direction
 Manages external relationships
 Drives organizational competitiveness
 Boundary spanning role

Team or Divisional Leader

Manages coordination and collaboration within and across teams
 Project planning and scheduling
 Liaises with customers
 Service delivery
 Report writing

Creating and sharing the vision
 Having a global perspective
 Instilling a passion
 Striving for excellence and quality
 Building capacity to create and embrace change
 Driving organizational renewal
 Exploiting technology for business outcomes
 Building intelligent and learning organizations
 Managing the political agenda
 Creating creative environments
 Effecting ethics and integrity
 Managing for a sustainable future
 Building productive relationships

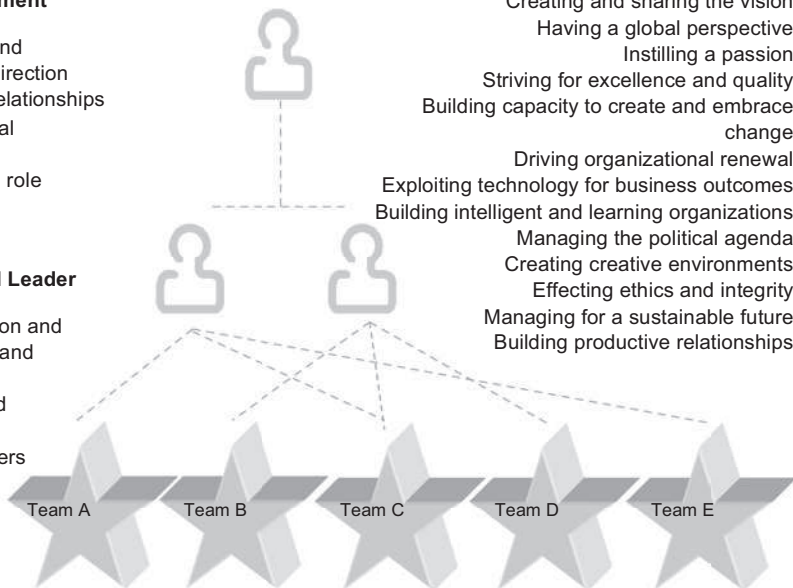


Figure 1.1 Levels of management – roles and mindsets

TEAM AND DIVISIONAL LEADERS

Team and divisional leaders were the product of the merger between line and mid-level management as organizations moved to more streamlined and matrix management structures. In Figure 1.1 mid-level level and line management have been totally integrated.

Team and divisional leaders translate the vision, global perspective and broad overall strategies and policies set by the executive into implementation strategies and specific action programmes. They analyse issues such as the emerging global trends in technology and their impacts on opportunities for innovation in service delivery and future customer requirements, and, summarize these in reports for the executive. Team and divisional leaders encourage collaboration between the various parts of the organization and a passion for quality service delivery which require excellent interpersonal and relationship-building skills. They have good analytical and technical skills which they use to develop an in-depth knowledge of their area and activities, and how these interact with other sections or divisions across the organizational value chain and within the changing organizational environment.

Team leaders are directly responsible for the quality of e-service delivery within their work units and the administration of resources to meet the parent organization's short-term objectives. They have a supervisory and grievance-handling role that requires strong interpersonal and relationship-building skills. The grievances can come from staff regarding rosters and other work-related issues or from their customers on service-delivery issues. Their jobs can be hectic with continued interruptions so a high degree of flexibility is required. They often communicate on a one-to-one basis to solve problems and maintain quality standards.

Team leaders have an oversight role in ensuring compliance with ethical and best practices, integrity in the actions of team members, and that good corporate governance is maintained at the operational and e-service delivery level. Team and divisional leaders have less need for skills in managing the external political agenda, but will use political skills and mindsets in managing internal politics and getting things done in the corporate environment.

Conclusion

The most important business assets are not the tangible assets of the past. Intangible assets such as knowledge, expertise, innovation and branding are the new business enablers and sustainers that require the focus of management. Tangible assets, as in bricks and mortar or the physical presence, are being replaced by intangible assets such as brand image and virtual presence. How information services are portrayed and delivered in this environment will determine whether their future is bleak or promising.

Sophisticated customer expectations and a rapidly changing environment are requiring significant changes in skills, approaches and mindsets in managing and sustaining libraries and information services. New roles and activities are developing which are now much more proactive in the attempt to create and shape the future, rather than have the organization succumb to an unwanted future or be passed by.

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PART II

STRATEGY AND PLANNING

The theme of Part II is developing and implementing strategies so that an organization can better predict its future, attract and retain a highly skilled workforce, sustain its financial position by ensuring value for money and sound finances, realize the true value of its corporate knowledge and information, and strategically manage its assets in a cost-effective and environmentally friendly manner for its greatest business advantage – all of which are important in managing in challenging times. By adopting a systematic approach to planning for future needs based on possibilities and probabilities and guided by information from the internal and external environment, the organization is better able to survive and flourish. Whilst the activities of strategic planning and human, information, technology and financial resource planning and management are described in separate chapters for convenience, an integrated approach is advocated (see Figure PII.1). Strategic planning sets the overall direction for the organization, within which human, financial, information and technology resources are planned and managed in order to respond to dynamic environments.

Chapter 2 considers how strategy and planning processes can be used to sustain and ensure the survival of the organization in challenging times. It describes how each of the logical steps in the strategic planning process, from defining the mission and conducting the situation audit and needs analysis to developing objectives and programmes, can be best used within organizations. A short discussion on the benefits of scenario planning is also included.

Chapter 3 outlines the strategies used to develop and maintain the status of an employer of choice, attracting and retaining the best people in challenging times. It covers the use of environmental analysis to plan for the future with regards to the type of skills, knowledge, competencies, attitudes and mindsets; it examines how these can be determined through different planning processes and explores the benefits of skills inventories. The various strategies for attracting and retaining people are discussed, including processes for selecting people and inducing people to join the organization. Aspects for developing and getting the best out of people are also considered. Finally turnover and separation are addressed.

Chapter 4 focuses on strategies that ensure value for money and enable a sound financial future for the organization. It describes the processes of identifying, costing and allocating income and expenditure to resources and activities that can be used in the development of budgets and business cases, and explores the relationships between the budget cycle and the strategic planning cycle. A new area has been added, that of benefits evaluation. The chapter also distinguishes between cost accounting and activity-based costing. It explains how mechanisms for costing such as fixed and variable costs, unit costs, productivity curves, the law of diminishing returns, variable and total costs per unit are an integral part of ensuring sound financial management.

Chapter 5 covers knowledge and information management strategies from the perspective that they are considered a strategic corporate resource. Information is the 'content' of the technology systems. The chapter explains how knowledge and information are used for decision making and advocates a strong consultation process in planning and managing information. The chapter also incorporates strategies for:

- understanding organizational requirements for knowledge and information;
- acquiring knowledge and information;
- making knowledge and information accessible;
- utilizing knowledge and information for the greatest benefit;
- ensuring that the desired outcomes are achieved; and
- deciding what information is no longer required.

Strategies for the optimum management of technology are covered in Chapter 6 along with techniques for managing other strategic assets. As information-related technology is susceptible to radical change, the chapter has not provided detailed descriptions of various technologies. Emphasis is instead placed on strategies for obtaining business rather than technology solutions. The chapter identifies how the technology presents opportunities for the organization to compete in the market place successfully. The technology planning process is described, roles and responsibilities for the planning process are defined, and the components of the technology architecture are summarized. The management issues associated with developing the technology to support the business strategy and with implementing the technology strategy are discussed.



Figure PII.1 Strategy and planning for innovation

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Strategic Planning

Positioning for a Digital Future

A constant challenge for organizations in an unpredictable and changing technology world is the ability to be able to deal with and sustain their momentum in an uncertain future. One way of doing this is, as far as possible, to predict and prepare for uncertainty. For example, some trends will remain the same, and in these instances contingency plans can be used to respond to situations that are predictable. Some uncertainties can be eliminated through a variety of means including political lobbying, acquisitions, mergers, divesting and transferring risk to others. A third area for concentration is to build the organization's capacity to innovate, respond flexibly and adapt to changes arising from the social, technological, economic, environmental or political situation.

Strategic planning involves the development and implementation of sustainable strategies to position the organization for a successful future and to achieve its vision. Whilst strategic planning processes introduce a systematic approach to managing dynamic environments and enable the information service to respond effectively to new situations, these can blinker or limit the vision to what is known and to a single outcome. Scenario planning enables organizations to deal better with uncertainty as it considers a number of possible futures. It identifies patterns and clusters of information from a number of possibilities.

This chapter considers how various strategic and scenario planning processes can be best used within the information service and its parent organization.

The Importance of Strategy and Planning

Planning and implementing strategy are important processes that are used to reduce uncertainty and assist in positioning the organization to take advantage of the global knowledge economy and society. Strategic planning is a continuous technique for use where a systematic approach is appropriate. It takes into account the drivers of change and enables organizations to adapt to meet the challenges of the future and to plan a direction or course of action in a proactive manner. The outcome of this is that the organization is placed on a more sustainable footing and becomes better able to influence external forces in accordance with its chosen strategies. It is also more able to initiate new activities that are conducive to market needs, rather than reactively adjusting or responding to those imposed upon it. Where strategic planning is implemented in a positive manner it will also benefit the communications and decision-making processes within organizations.

The strategic planning process recognizes that organizations cannot achieve everything they would like to do. Instead, it allows for the allocation of resources and planning of strategies on a priority basis to achieve the organization's vision and mission within the resource constraints and dynamics of the external environment.

Managing the Strategy Development Process

Strategy development and subsequent implementation must not only be valued and wanted, it should be seen to be valued and wanted. As a vehicle for change it is sometimes associated with negative feelings and connotations. Some consider it to be a mechanism for organizational reorganization with the capacity to engender a loss of power, influence or position. Others may view it as a waste of time and resources. The enthusiasm for strategic planning can be enhanced by discussing what could happen without the process being put in place, and by explaining how other information services have benefited from strategy planning and implementation.

To be effective, strategic planning requires the commitment and involvement of executive management as it is about the strategic positioning of the organization. There has to be a clear understanding throughout the organization of its purpose and the value of the process. The strategic planning process will fail if inadequate time or resources are spent on it, if there is a lack of commitment to the process, or if there is a lack of good communication about the process and outcomes throughout the organization.

The handling of the management issues arising from the strategy planning and development process will greatly influence the employees' perceptions and their long-term enthusiasm for its implementation. Careful handling of the issues and process that arise from changes to structure, projects, mindsets, attitudes and jobs may pay dividends at the time when the planning process is implemented. If people can participate in the planning process from its inception, especially with reference to their areas of responsibility, they will more readily understand the purpose and objectives of the strategic plan and actively support its implementation.

The strategic planning process for the information service should be integrated with the planning for the parent organization and linked to the planning and management of all of the corporate resources. For example, the manager of the information service should be involved in setting the direction for the parent organization. The strategic plan for the parent organization should also set the strategic direction for the information service.

In order to allocate the necessary priority to strategy planning and development a formalized system should be used that allocates time and resources to the task. Its value and importance should be stressed within teams and throughout the organization, and the process used to strengthen the delivery of services to the total community. Strategic planning will inevitably compete for time to manage the other issues of the day; however, it is important that everyone contributes and that this is recognized.

The Strategic Planning Process

The outcome of the strategic planning process (see Figure 2.1) is the Strategic Plan, which is objectives-driven and primarily concerned with outcomes within a two- to three-year timeframe. The Strategic Plan should be a short and simple document and present a clear rationale for the specific objectives; it should give a clear impression of the relative priorities and be used as the justification for all projects, activities and resources. It should include the vision, values and key strategies and objectives.

The plan should be flexible, enabling smooth and quick adjustments to meet sudden changes in the environment. However, it should not need extensive modification and should be abandoned if this is the case. When the plan has outlived its usefulness, it should be replaced by another as part of a continuous planning cycle. The replacement plan should not be an extrapolation of the old. It requires the rethinking of the future in the light of the existing environment and prospective changes. The plans should be simple and straightforward as complex plans are difficult to understand, implement and monitor.

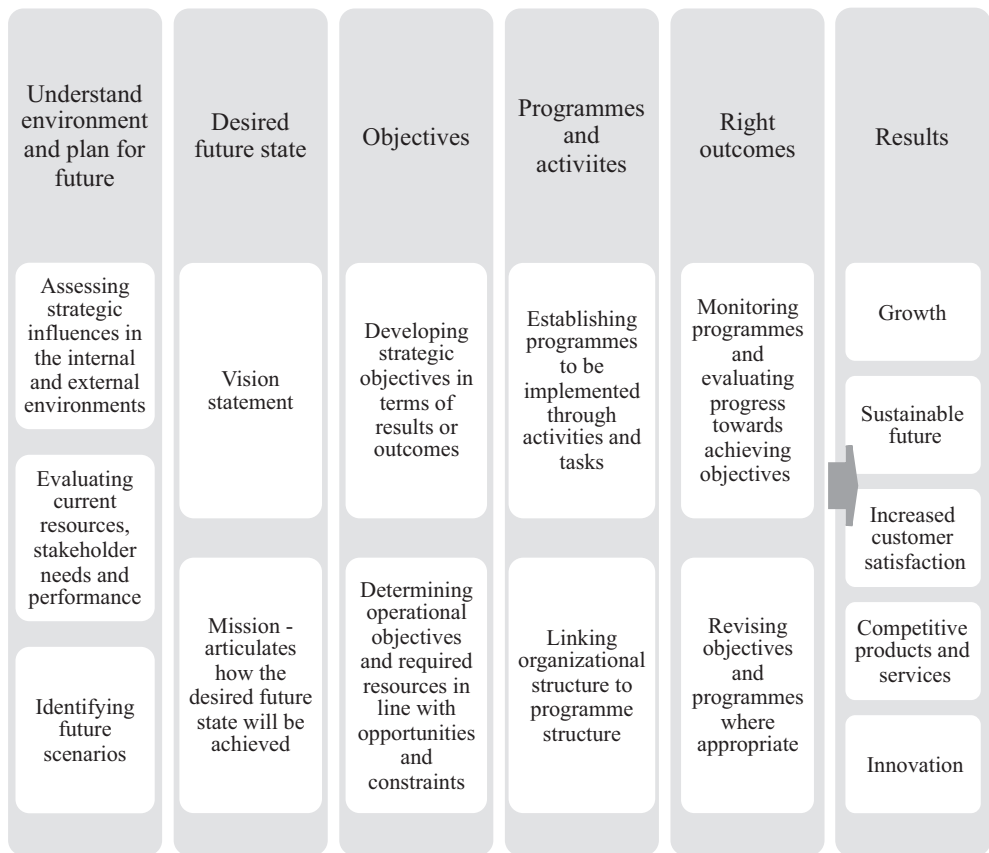


Figure 2.1 The strategic planning process

Assessing Strategic Influences in the Internal and External Environments

Information services operate in the context of two environments – internal and external. Both of these affect the way in which information services are planned and managed. Unless management and staff have a clear understanding of these environments and how they impact upon their operations, they will be working in a vacuum.

The external environment comprises the driving forces and surrounding conditions in which the information service and its parent organization operate. These are often complex and unpredictable and continuously create new challenges that must be managed to ensure sustainability and success, the most consistent feature being that once one set of challenges have been mastered, another new set will take its place. Driving forces in the external environment include:

- e-service delivery opportunities presented by the global economy and society;
- dwindling financial resources and the need to consider the economic sustainability of services; and
- changes in technology that can create the need for change whilst assisting the organization through the change processes.

Maintaining an overview or understanding of the internal environment of an organization requires an equal amount of management attention. The internal environment relates to the internal factors that shape the organization and its operating environment. These include:

- workforce empowerment through the sharing of knowledge and information;
- innovative capacity and capability of the organization to nurture the know-how, talents, skills and expertise of people;
- leadership styles that are proactive, visionary, entrepreneurial and risk taking; and
- culture and values that create a sense of excitement, belonging and commitment.

TOOLS FOR ASSESSING THE STRATEGIC INFLUENCES

Understanding the strategic influences in the internal and external environments in which the information service operates is a necessary precursor to any strategic planning exercise. This can be achieved in a variety of ways. Internal documents can provide useful input in regards to evaluating current resources, stakeholder needs and the current performance of the information service in meeting these needs. These include:

- an outline of the present levels of resources and organizational capability;
- statements of policy and managerial philosophies;
- the formal and informal mandates imposed on the information service;
- a statement of the desired future in terms of major results and outcomes; and
- a statement of organization-wide objectives that represent the philosophical basis for the information service's operations and articulate the desired future conditions to be achieved.

Examples of tools and how they can be used follows. It is not necessary for the information service to utilize each and every tool, rather to select one or two that are most appropriate to the situation.

Strategic audit

The strategic audit considers the strategic issues from the internal and external environments that could impact upon the information service and its parent organization. After analysing this important background information the future role of the information service in its environment should be clearer.

The strategic audit can also yield information on existing and potential clients, stakeholders, competitors, the desired image and brand, the appropriateness of services and other important influencing factors. Knowledge of these factors:

- reduces the element of surprise as more variables are known;
- makes the information services manager more aware of the opportunities and threats facing the information service; and
- allows the risk to be managed at the appropriate level.

Accident and chance will still play their part in a dynamic environment, bringing with them the need for sudden or unexpected change. However, it is the manager's role to lessen the element of surprise and to respond and adapt to the change as it occurs. Issues to be assessed in the strategic audit include:

- the possible and probable future direction of the information service in the global knowledge economy and society;
- the future direction of the industry sector or business environment in which the information service operates;
- recent and future events likely to impact on the information service or its parent organization;
- trends and patterns that could impact on the organization either positively or negatively;
- current and anticipated future driving forces or strategic external influences on the organization;
- the extent of their impact (positive and negative);
- the vision and preferred future scenario for the organization and the information service;
- the alignment of the current mission, core business objectives, strategies and policies for the information service and its parent organization with the desired future;
- an assessment of their status, for example if they are clearly articulated and acted upon, and consistent with each other and the external and internal environments;
- a stakeholder assessment in terms of their positive or negative influence, knowledge, skills, interests, participation, support and commitment;
- the reputation and standing of the organization amongst its industry peers and competitors; and
- the leadership style and commitment of executive management.

Critical success factors

Critical success factors can be used to identify the most important ingredients for the information service's success. They focus on the key components or determinants that must be present and correctly managed in the operating environment. Examples of critical success factors are visionary leaders, a motivated and knowledgeable staff, quality and responsive e-services to customers, and managerial support.

By determining what must go right, priorities can be clarified and understood across the information service. For example, if the ability to respond quickly to any enquiry is a critical success factor then the response time taken to satisfy customer enquiries becomes a priority. Everyone is able to identify with the critical success factor and arrange workloads accordingly so that the customer takes priority. The information service quickly builds up a reputation and customer base because of its responsiveness. Its goals are met and the information service is successful in its achievements. The rate of response can also be used as an indicator to measure the performance of the service.

SWOT analysis

The SWOT (strengths, weaknesses, opportunities and threats) analysis provides an objective assessment as to whether the information service is able to respond to and manage the environmental impacts. The more competent the information service is in dealing with these, the more successful it is likely to be. Strengths and weaknesses deal with factors internal to the organization, whilst opportunities and threats are concerned with its external environment.

Strength is a resource or capability that an organization has to achieve its objectives effectively. In an information service, strength may be its innovative use of technology, or depth and coverage in content. It may also be a particularly helpful and creative member of staff who consistently applies innovative ways to tackle problems.

A weakness is a limitation, fault or defect in the organization that keeps it from achieving its objectives. Limited technology capacity may prevent an information service from meeting all of its customer needs.

It is often difficult to carry out an objective internal assessment upon the information service's strengths and weaknesses. For this reason it is useful to have an external person undertake the assessment as they can remove themselves from the emotional and personal issues involved. Information for the assessment can be gathered through interviews with members of staff, stakeholders, customers and non-users, and through external evaluations, questionnaires and observations.

An opportunity is any favourable situation in the information service's external environment. It may be a trend or a change that supports the development of an enhanced e-service, or one that has not previously been identified or filled. An opportunity usually allows the information service to enhance its position, and may be brought about by a technical change. Social networking applications, instant messaging and mobile technologies are examples of technology that have created opportunities to deliver new customer e-services direct to the individual, regardless of time or location.

A threat is an unfavourable situation in the information service's external environment that is potentially damaging to it or its competitive position. It may be a barrier or a constraint, or anything that may inflict problems on the information service.

The SWOT analysis allows strategies to be planned that can realize the strengths and opportunities and overcome the threats and weaknesses. It is also used extensively in marketing.

PESTLE analysis

PESTLE analysis is an environmental analysis tool that examines the political, economic, social, technological, legal and environmental issues that may influence the future direction of the information service. It provides additional information about the external environment, driving forces and surrounding conditions in which the information service and its parent organization operate. It is a precursor to the capability profile as from the PESTLE analysis, libraries and information services obtain information about competitor capabilities, technology developments, and emerging economic and social issues that may influence strategic decisions about where to position the library or information service in the future.

Capability profile

The capability profile is the means of assessing the information service's strengths and weaknesses in dealing with the opportunities and threats in the external environment. For example, its capability in the fields of leadership, marketing, technology and finance helps to identify how the organization is placed in comparison with its competitors in its ability to withstand pressures and reposition itself in a changing world.

Leadership capability can be gauged by considering how forward thinking the organization is in repositioning itself in the global knowledge economy and society. It also includes assessing the organization's reputation and image as a trendsetter, its speed of response to changing conditions, the prevailing corporate culture and communication capacity, and its ability to attract and retain highly creative people. It may examine, for example:

- the consistency between stated or desired corporate culture and the actual prevailing culture;
- the organizational approach to managing and developing expertise;

- the use of power to enhance or detract from organizational success;
- the alignment and fit of decision-making processes and styles to the external and internal environments;
- the rate of turnover of staff in comparison with industry standards;
- the additional skills, competencies and attributes that are needed to transform the organization and enable it to achieve its desired future position; and
- the appropriateness of standards and techniques used to evaluate and improve corporate performance.

The organization's marketing capability can be demonstrated by its status amongst its competitors, the level of branding, customer loyalty and satisfaction, the percentage of customers versus potential customers, quality of service and ability to maintain growth. Questions may cover:

- how closely the information service and its parent organization is aligned to industry standards and profiles of other competing firms in the market place;
- the organizational approach to quality control; and
- the capability of systems to monitor and provide feedback on corporate performance.

The presence of expertise and advanced technical skills, the level of sophistication in the application of technology, the utilization of resources and personnel to achieve economies of scale, the level of coordination and compatibility, and the integration and effectiveness of e-services are some of the factors that may determine the information service's technical capability. Questions may examine:

- the alignment of information and communication technologies to the strategic objectives and business needs of the organization; and
- the alignment and consistency between the organization's policies and actual practices in the information service.

Financial capability is determined by access to capital, financial strength and the ability to sustain the required financial position. It can also include the appropriateness, identification and management of risk-mitigation strategies.

To complete the capability profile, a bar chart is prepared detailing the degree of strength or weakness in each category. After completing the chart the relativity of the strengths and weaknesses to each other can be determined. Whilst the capability profile is highly subjective, it is still useful. It provides the means for examining the current strategic position of the information service and highlights areas needing attention.

NEEDS ASSESSMENT

The needs assessment provides additional environmental information for the development of the plan. It enables the information service to:

- identify the gap between the current provision and the desired level of service;
- forecast future needs;
- plan provision to meet such needs in good time; and
- ensure that the operational policies are effective in meeting real needs.

The needs assessment should not relate just to existing customers of the information service. All stakeholders, including potential customers, should be considered. Many sources of information can be used to provide input to the needs assessment – for example, customer surveys, community analyses, census figures and organizational reports.

The needs analysis should include input in addition to professional judgement or indicators such as (lack of) volume of complaints, comments or suggestions by customers and other stakeholders. To rely on just this information may result in a bias that could lead to an inaccurate assessment of service needs. Underestimation and overestimation are two other pitfalls. Underestimation may arise when the needs of non-vocal sectors of the community have not been brought to the organization's attention, or are overlooked. Overestimation of needs can occur by overlooking the fact that a large sector of the customer base is satisfied with the existing provision of service.

The preliminary stage of clarifying what is meant by a need in a particular programme area can be useful in that it forces the examination of real objectives and definition of needs. The concept of need implies a normative judgement: a particular level of need is arbitrary and depends upon attitude. Ideas of what constitutes need can change over time and circumstances in the same way that motivational needs change. 'Wants' and 'needs' should be distinguished; for example, you may want to drive a Mercedes or Porsche to work, yet you may only need a bicycle.

Surveys of both customers and potential customers can be important mechanisms for the collection of information about customer needs. However, they can be comparatively expensive to conduct, and can arouse or create unrealistic expectations of future service delivery capabilities. Moreover, they require careful planning to provide valid and meaningful results. If such surveys are not properly planned, incorrect information may be obtained that could result in the implementation of a programme totally unsuited to the real needs of the customer base. This could eventually be more costly to the information service in financial, political and social terms than the original costs in conducting the survey.

Implemented correctly, surveys can be a valuable planning tool. However, they should not be relied upon as a 'proven management technique' at the expense of other methods. The gut feeling that arises from a close involvement and working knowledge of the situation should also be considered.

Armed with the knowledge obtained by tools to assess the strategic influences, the information centre manager can now look to the future.

Identifying Future Scenarios

Organizations face a range of futures that include possible (likely) futures, probable futures and most likely futures. Within these lie preferred futures and also most feared futures. Possibilities and probabilities arise from consideration of different scenarios for the future, ensuring that the organization is as prepared as possible to meet events as they occur. Predicting the inconceivable through inventive or original thought is one small part of future proofing the organization. A considerable amount of energy is also spent on identifying the conceivable futures, the possible future and also the probable as part of scenario planning. This is with opportunistic outcomes in mind. By identifying what could conceivably happen, for example in technological advances or lifestyle changes; what is possible given the known changes; and the most probable scenarios, leaders can position their organizations to take advantage of future opportunities successfully.

The further dimension is about positioning and having an impact on the future. This involves consideration of the desirable and the preferable, and is linked to the organization's

vision. By establishing the desired and preferred future state for the organization and painting this picture as a vision, leaders are taking the first step in enabling the organization's future. The vision provides a future reference point that sends a single message to which everyone can aspire. It charts the end goal and gives context to all that the organization does and wishes to achieve.

Likewise, developing an understanding of the most feared future enables the organization to establish risk mitigation steps that minimize the chance of the most feared future occurring.

Setting the Desired Future State

VISION AND MISSION

The first task in setting the desired future state as part of the strategic planning process is to articulate the vision and define the mission. The vision is the desired future state for the organization. A shared vision across the organization becomes its underlying driving force.

The mission statement articulates how the vision will be achieved. It serves as the focal point for individuals to identify with the organization's vision, purpose and direction. It also provides information about the future direction of the organization and its client base. In order to be readily understood and remembered by all stakeholders, the wording should be simple and explicit. It should be written in such a manner that avoids:

- a narrow perspective of the organization's role;
- the assumption that the organization will be the sole deliverer of specific services;
- locking the organization into out-dated technology or service provision; and
- a lack of consideration of options in e-service delivery.

If a separate mission statement is to be developed for the information service, it should reflect the mission statement of the parent organization. It should clearly identify the core business and purpose of the information service in contributing to the wider organizational mission statement. The mission statement also identifies those critical factors that distinguish the service from its competitors. It may be a declaration of attitude or value that establishes the organizational climate, or a quality statement about customer service delivery.

SETTING OBJECTIVES

Objectives determine the broad strategies for achieving the desired future state. Objectives may be distinguished according to their level in the hierarchy (see Figure 2.2). There is a relationship between level, scope and impact upon the organization and time frame for implementation. The highest level objectives, the strategic objectives, relate to the organization in its entirety and are usually long-term. They are usually articulated in the Strategic Plan. The objectives become more specific and operational at the lower levels in terms of application within the organization. They are also shorter in time frame. For this reason they are most often found in the information services' Business Plan.

The hierarchy continues in terms of programmes, projects or activities, and tasks. Activities and tasks are directly related to subsets of the objectives and programmes. They are usually short-term or repetitive, easily measurable and relate to groups or individuals. The hierarchy is generally shaped like a pyramid. The broader and more future-oriented objectives are fewer in number and appear at the pinnacle of the pyramid. The immediate or short-term objectives are to be found in greater numbers. They are more precise in definition and quantification.

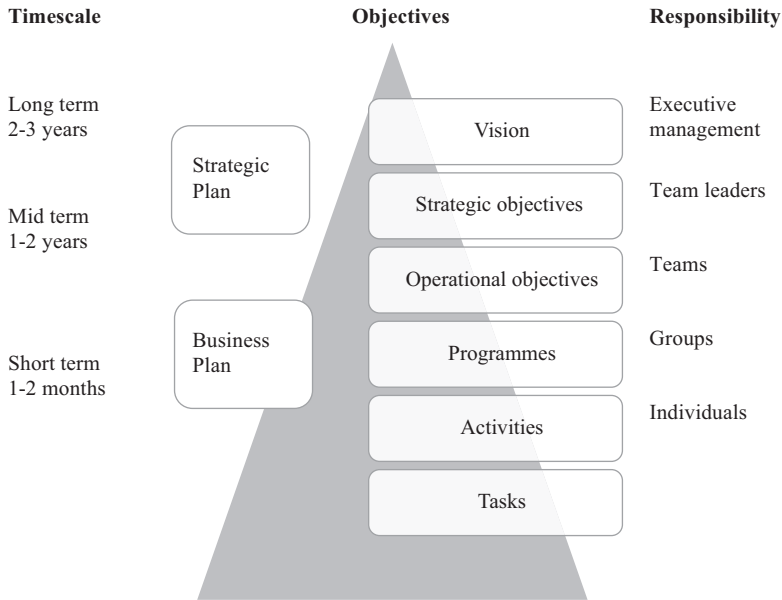


Figure 2.2 The hierarchy of objectives

Strategic objectives

The strategic objectives should be long-term in nature and allow for improvement and coordination of corporate operations. The strategic objectives should be geared to the desired future state, identifying opportunities whilst increasing the organization’s flexibility and ability to adjust to change, and its capacity for creativity. They should lead to the definition of corporate or organizational objectives, policies and standards that may be articulated in other documents.

Operational objectives

The strategic objectives are then operationalized into operational plans and objectives. These provide the details of the services to be delivered to meet the strategic objectives and are often found in Business Plans. A set of results and outcomes, qualified by performance measures and a timetable for their achievement, should be provided for each service or project. The Business Plan should also identify how the human, financial, information and technical resources are to be acquired and used to achieve the strategic objectives.

Operational objectives are mid- and short-term focused and are translated in turn into programmes and activities. These are framed with inputs, outputs and constraints in mind. Resources for these are allocated through established functions such as the budget process.

Objectives should be developed within the context of the situation audit and the needs assessment. Opportunities for better service delivery or internal productivity gains should be considered as well as the impact of any known constraints on resources. The parent organization’s management philosophies or political ideologies may also shape the development of objectives for the information service.

Effectively formulated objectives should result in concrete outcomes desired by the organization. The formulation of meaningful objectives takes careful thought and analysis.

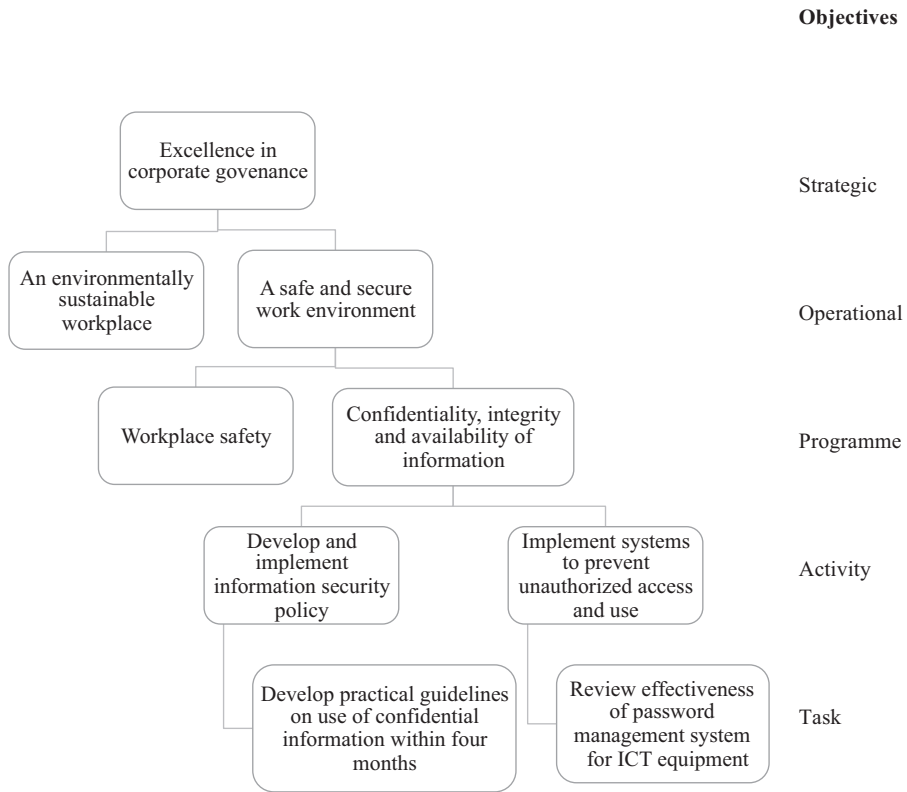


Figure 2.3 A hierarchy of objectives in an information service

The intention of the objective should be clear and its focus well understood. It should stimulate the action as well as specify it. The objectives must be challenging yet capable of achievement. They should be written so that they can be analysed and reviewed.

Objectives should be defined in terms of results or conditions to be achieved rather than in terms of the activities to be performed, as it is against the objectives that performance will be measured. They should be stated in positive terms, that is, in terms of what is to be achieved rather than avoided. Above all, the objectives should be quantifiable, since the more concrete the information, the more likely will be the achievement of real meaning. An example of a hierarchy of objectives within an information service is shown in Figure 2.3.

The quality of results is just as important as the type or kind of results. Time limits or delays in service provision, percentages, workload volumes and frequency rates are measurable points that can be incorporated into information service objectives. Quantifiable objectives and outcomes define and clarify the expectations and results better than verbal descriptions. They provide a built-in measure of effectiveness.

IMPLEMENTING THE OBJECTIVES THROUGH PROGRAMMES AND ACTIVITIES

Objectives are put into action through a series of programmes and activities which also form part of the Business Plan.

The development of programmes occurs after consideration of the alternative scenarios and strategies whereby the objectives can be achieved. It should be a creative and innovative

process, with only the best possible alternatives selected. The selected programmes should represent the best possible use of resources when considered against all other possible uses. They should lead to improved organizational performance or service delivery and derive the greatest possible benefit for the least cost. The evaluation of programme alternatives should assess not only the financial and economic costs and benefits, but also the social and political costs and benefits. Outcomes (quality and quantity) should be measured against inputs.

Programmes are implemented by organizing activities and allocating tasks. Implementation of the plan at this level is often a difficult task as it invariably means organization and personal change because the programmes are often linked to the organizational structure. As a major change in programme structure may involve an internal reorganization, strategies for dealing with the required change should be considered prior to the introduction of the new programmes. Responsibilities should be assigned, and monitoring and control processes devised to measure progress towards the attainment of goals.

In addition to linking organizational structure into programme structure, successful planning processes tie implementation strategies into action plans. For example, people should be recruited with skills and mindsets that reinforce the strategic direction of the organization. Performance review systems should be also linked into the achievement of objectives, programmes and activities.

In implementing programmes, the emphasis should be on the outcomes of the decisions rather than the techniques by which the decisions are made. Successful implementations are those that improve the quality of service delivery through employee motivation and an increased commitment to the organization's goals. Positive results should be highlighted and reinforced as short-term improvements can be made permanent through positive reinforcement, monitoring and review.

Information sharing is paramount so that all staff can be fully informed of organizational and personal changes. It is also important that people are able to contribute and be involved in operational decision making. This collaborative approach anticipates that all employees have a commitment to the achievement of organizational goals. It shares the onus of high performance amongst all members of the organization. Mutual discussion regarding the implementation of programmes includes agreement upon resources and assistance necessary to achieve the stated objectives. This leads to more effective coordination and collaboration throughout the organization.

Critical to the success of the implementation of the strategic planning process is the need to determine the proper sequencing and relationships of the activities. Appropriate starting and completion dates must be set in order to avoid plans being implemented before the strategies for dealing with the resultant changes are considered. In addition, budgets need to be allocated and people need to be available and supported by information and technical resources before the transition occurs.

ENSURING THE RIGHT OUTCOMES THROUGH REVIEW AND EVALUATION

Often the planning process is considered to be complete upon the implementation of the programme. However this circumvents the need to review and evaluate the performance of the organization continuously against the external and internal environments.

Evaluation through monitoring and review processes is the accountability aspect of planning. It determines whether the objectives are being achieved. It also reduces risk and provides important feedback to fine-tune the delivery of services to meet customer needs. More detail on this issue can be found in the chapter on performance measurement and review.

Managing the Future: Scenario Planning

Uncertainty is a strategic concern for many organizations, which poses specific challenges for managers. It is caused by technological developments and changes in markets with other contributions from environmental, fiscal and political factors. Scenario planning is a proactive way to manage the impact of uncertainty. By using scenarios it is possible to identify key factors that will have serious implications in the future. Taking actions and informed decisions based upon the scenarios, future risks can be avoided and possible opportunities anticipated (Walton 2009:334).

Scenario planning enables organizations to determine what is of strategic importance and concern to the organization and to explain this in terms of the impact they have on the organization. Participants in the process are required to look at concerns and uncertainties, future directions, pivotal events, decisions both for the short and long terms, constraints and what people would like to be remembered for, and develop a series of possible scenarios or stories of the future. The scenarios are constructed in a workshop environment and are each given a name that can be instantly recognized, based on the storyline or data in the scenario.

Capturing multiple images (probable, possible and most likely) of the future that together encompass the critical uncertainties facing the organization is one of the two key goals of scenario developers. The other goal is to convince managers at all levels of the organization to consider seriously the strategic and tactical implications of each scenario (Ringland 2003:22).

The scenarios are not used to predict the future, but highlight options based on what is known and unknown. The advantage is that scenario planning assists organizations to think outside the box by challenging and stretching conventional thinking in order to map out the future. It is concerned with anticipating the potential future and preparing action plans today that will safeguard organizations tomorrow (Walton 2009:339 quoting Weiss 2003). Scenario planning can be used in developing the organization's strategic plan particularly:

- in a business environment of high uncertainty;
- for generating new opportunities;
- for developing a common language throughout the organization; and
- where there are strong differences of opinion.

The development of a number of scenarios about possible or probable futures enables people better to construct a reality view of the future. Culturally and psychologically they can:

- promote wider thinking by providing innovative insights into complex situations;
- challenge and free up peoples' mindsets;
- overcome availability bias where people undervalue what is difficult to imagine or conceptualize; and
- shift people's thinking that is embedded in the past.

Other advantages of using scenario planning techniques include:

- the ability to detect early warning signals that a particular future is unfolding;
- an increased capacity to evaluate risk and return options; and
- being able to generate better strategic options in both favourable and unfavourable futures.

However, Ringland (2003:23) found that professional scenario developers are seldom totally successful in connecting with line managers or team leaders, who see their role as ensuring day-to-day delivery of a product or service, and who are convinced that scenarios are irrelevant to this task. This can be short-sighted, as Ringland explains:

- Many early warning signs of new scenarios emerging are first seen as peripheral issues in the market place, for example, in the concerns of stakeholders who are not customers, but who can influence them.
- Good scenarios are insurance that line managers' default assumptions will be identified and modified to fit changing conditions.

Ringland believes that after a scenario exercise, if managers have fully participated and have been sensitized to recognize early warning signs and report them, the initial signals of critical change are less likely to be ignored. She goes on to say that making scenarios accessible to line managers or team leaders requires four stages of preparation before introducing them:

- creating scenarios clearly grounded in today's events and trends;
- identifying business options under each scenario;
- having a clear process for making choices based on the scenarios; and
- developing a clear set of events that would be early indicators for each scenario.

A typical scenario presentation for each scenario would cover:

- what is happening now that makes the scenario credible;
- a description of the world at the end of the scenario; and
- early indicators of each scenario, and specific events to watch for.

Most of the strategic management and marketing tools used in information services such as the strength, weakness, opportunity and threat (SWOT) analysis and the Boston Consulting Group matrix analysis can be used very effectively with scenarios. Generally between four and six scenarios are developed, incorporating the major cause and effect issues identified in the planning process. These are then used as the basis for further research and organizational review from which action plans are developed as part of the strategic planning process.

Conclusion

The planning and development of strategies is essential to managing in times of change in financial, political, environmental, technical and social situations. Strategy planning and development also leads to other benefits. For example, the activities associated with setting and sharing the vision, collectively planning for the future, articulating the organization's objectives and creating an understanding of its purpose and values are useful leadership activities in their own right. They can generate a greater knowledge and understanding of the organization and, ultimately, increase the level of commitment, communication and cohesiveness across the organization. This in turn leads to individual feelings of empowerment and strengthens the common goal of all.

Whilst creating and articulating the vision and future position of the organization is a key leadership role for the Chief Executive, all stakeholders who have the potential to be affected should be involved in strategic planning at various stages. For example, customers and suppliers may be asked to provide their thoughts on future e-services to meet emerging

needs, whilst members of the governing body may set policy direction and funding allocators may provide input into future funding strategies. The planning process should be inclusive.

Whilst executive management will not produce the plan alone, their personal knowledge, commitment and involvement are crucial to its long-term effectiveness. Their leadership roles include initiating the process, encouraging support and an involvement in overseeing the process. An important responsibility of executive management is to create the necessary environment to dispel fears that will inevitably arise out of the potential for change, and to encourage the enthusiasm of others in the strategic planning process.

The strategic planning process has five logical steps:

- using a series of tools to analyse and understand the external and internal environments;
- setting and describing the desired future state of the organization through the vision and mission;
- determining how the vision and mission is to be achieved by identifying a series of objectives;
- implementing the objectives through programmes and activities; and
- ensuring the right outcomes through review and evaluation.

As the business environments in which organizations operate become more complex, organizations have had to shift from forecasting to developing a series of possible scenarios or stories of the future to further position the organization for a sustainable future.

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3

Attracting and Retaining the Best People

Individuals' talents and skills are an organization's most valuable resource, in terms of both their contribution to innovation and business success and the significant cost of salaries and add-on costs. Having an appreciation for the rich combination of the people's creative talents, experiences, know-how, skill sets, imaginations, thoughts, philosophies and capabilities and how this sets the organization apart and distinguishes it from its competitors is a significant part of managing human capital. For example, how people are encouraged and applied determines the extent to which value is added and innovation and achievement brought to the organization. Their cutting-edge attitudes and perspectives can also reinforce the corporate outcomes and organizational values.

The working environment has changed and continues to change. At a time when information services are delivering virtual 24×365 services through global partnerships or accords, many individuals are looking for greater workplace flexibility in terms of working hours and also work place. Work is how we describe what we do, rather than the place where we go. For information professionals work is now very different to that of the past. Now or in the future they:

- manage and operate in a global and virtual world;
- answer and assist their own and other organizations' client enquiries through chat facilities over the Web rather than over a desk in a building;
- use ultra-intelligent knowledge agents such as wristbands that analyse knowledge, track the current global position and interact in a symbiotic manner with the human mind;
- acquire new skills and knowledge such as digital rights management and maximizing the use of crowd sourcing as information sources; and
- use and manage technology that interfaces with objects such as cars or household items.

In-demand skills and talents include adaptability, trust and courage to change, thinking that is outside the box, flexibility and self-confidence in this fresh world.

This chapter considers workforce planning models and processes that assist in identifying skills and talents for the future as well as attracting, developing and retaining the best and most innovative people in a changing work environment. It includes activities such as recruiting and selecting the right individuals; developing newly required skills, expertise and knowledge; managing diversity, motivating people and acknowledging different generational needs in the workplace; as well as managing performance with opportunities for review and feedback.

Workforce Planning for the Future

Workforce planning is similar to strategic planning in that workforce planning is akin to human capital planning. It requires an understanding of the paradigm shift that is delivering a very different future in the e-service delivery environment.

ENVIRONMENTAL ANALYSIS

The first step in workforce planning is to determine what type of new skills, knowledge, competencies, attitudes, talents and mindsets are currently required or likely to be needed in the future to meet this paradigm shift. This is a forecasting activity, drawing upon input from the environmental analysis in the strategic planning process. This stage considers what the organization is trying to achieve, its preferred future position and how well structured it is to do the job. It also takes into account the human resource issues that arise out of the demand for new e-services resulting from technological and core business changes, the forming of strategic alliances with other institutions to facilitate 24×7 hours of operation, diversity of staff being employed, productivity, growth and the developmental stage of the information service and its parent organization, together with any other influencing factors and trends in the external environment that may affect conditions of employment. For example, industrial relations, legislation awards and workplace agreements may affect the ability of the information service to attract key people as employees as well as influence the terms and conditions applying in a downsizing situation. Regulatory conditions can also impact upon budgets, rosters, and the makeup and classification of staff. Other legislation requirements, such as equal opportunity or affirmative action, may also influence the makeup of the organization and human resource selection procedures.

DETERMINING REQUIREMENTS FOR A VERY DIFFERENT FUTURE

Organizational structure

The structure of the organization influences how and where people will be deployed. In turn it is influenced by the rate of change in the environment brought about by the paradigm shift in e-services, what services may be outsourced and the types of collaborative ventures that may be in place. This should emerge from the strategic planning process and reinforce the preferred future and operational plan. Traditional organizational boundaries are also disappearing as people work collaboratively with strategic partners through outsourcing, collaborative ventures and other means to deliver integrated e-services at a local, national or global level.

Gap analysis

Having taken into account the impact of the structure of the organization and the projection of the skills, knowledge and expertise required for the future, a gap analysis is undertaken. This compares the projected requirements (needs) with the current status of the existing inventory (availability), and expresses these as a match, excess or deficit of personnel and skills. These may relate to specific skills, expertise and knowledge, occupations or levels of staff and may not be consistent across the organization. As libraries and information centres embrace paradigm shifts in services, gaps between new skills and expertise and traditional skills emerge. These gaps can be filled through recruitment, retraining, redeployment and/or termination of personnel.

Skills inventory

A skills inventory is a management information system that describes the skills component of the organization's workforce. This includes details of employees' qualifications, experience, languages spoken, specific knowledge, skills and any other information such as outside interests that may be useful to the business directions of the organization. Skills inventories are useful for several purposes. They can be used to strategically monitor workforce capabilities and performance, and to assist in the identification of employees for promotion, transfer, specific projects and/or training. The usefulness of any skills inventory depends upon the appropriateness, accessibility and current validity of the data.

DESCRIBING INDIVIDUAL JOBS

An important component of attracting and retaining talented people is to ensure that everyone is focused on their contribution to the organization and know what is expected of them. This is usually achieved by describing the purpose, responsibilities, activities and duties of a specific job and its potential future direction – the what, who, why and when. In addition the necessary experience, aptitudes and skills to perform the required organizational responsibilities should also be described. This serves two purposes: it identifies where further personal development may be needed by the individual doing or being considered for the job as well ascertaining what is required when attracting people to the organization in the future.

How the job is described very much influences the success in attracting and retaining the right person as it will project the culture, corporate philosophy and uniqueness of the organization as well as the important attributes and characteristics of the position. A creative description will:

- signal that the organization is most likely forward-thinking and innovative and is wanting to attract talented and innovative thinking applicants;
- set the scene and provide a descriptive and interesting statement of the duties and responsibilities of a specific job;
- set expectations and provide a measure of performance and outcomes required of the person; and
- enable prospective applicants to determine whether the job and organization is of interest to them.

Components that can be attractive and useful to prospective candidates include:

- the level of influence and impact that the person is likely to have within the organizational structure, reporting relationships and the people with whom collaborative relationships need to be formed;
- meaningful information about the desired outcomes and key responsibilities which set the benchmark by which their talents and performance can be judged;
- the what, how and why of the job. Here, visual guides such as pie charts add contextual meaning as they provide an immediate impact and graphically illustrate the important components and relationships of the job. Other aspects to consider are how much time is devoted to each significant aspect of their work and the degree of supervision received;
- the skills, natural talents, attributes, knowledge and qualifications of the person doing the job;

- specialized technology, knowledge and equipment used that might require specialized skills or operational understanding; and
- any other specific working conditions that have an occupational, health and safety aspect or which require pre-selection procedures.

Descriptions of jobs need to be continuously updated to reflect changing technology and other variables such as integrating information services. They also need to leave some scope for initiative and innovative input on how the outcomes can be achieved in an alternative way. An ideal opportunity to review the position is during a formal performance review.

Attracting and Retaining Talented and Innovative People

Innovation and survival in the twenty-first century is dependent on the abilities to attract and retain people with the right skill sets, talents, knowledge and expertise to meet future needs as well as the necessary flexibility to cope with changing circumstances. In turn the attractiveness of the organization as an employer of choice will be dependent on:

- how flexible the organization can be in its capacity to meet workplace demands for family-friendly working hours and mobility;
- the financial position of the organization and its commensurate ability to offer additional employment incentives; and
- the age groups employed and whether the organization recognizes and meets the varying needs and values of the different generations it employs.

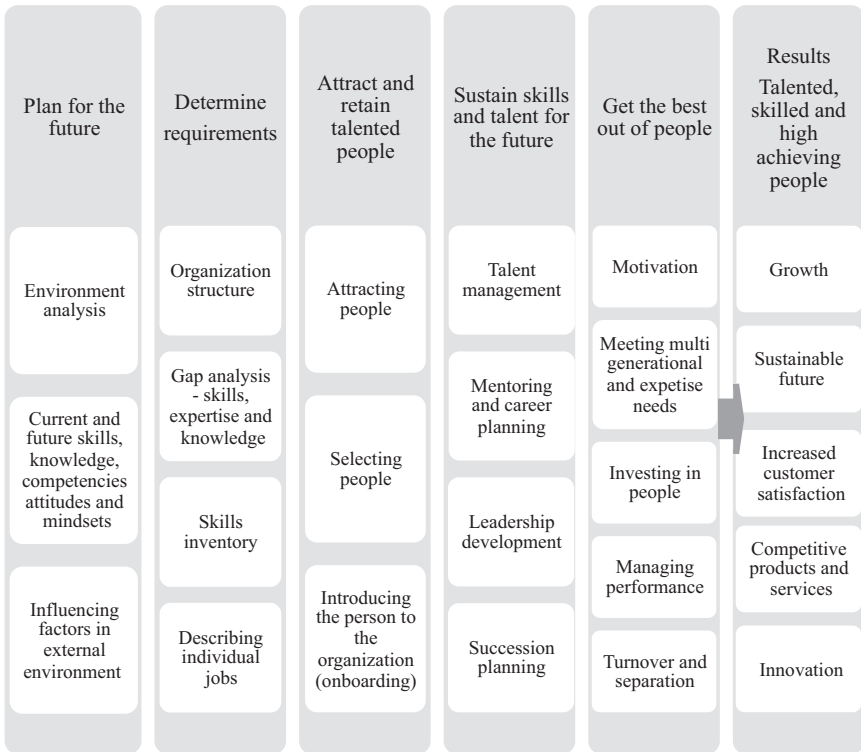


Figure 3.1 An integrated model for attracting and retaining talented and skilled people

ATTRACTING PEOPLE TO A JOB

Positions can be filled internally by promoting or developing existing staff that have the required expertise, skills and knowledge, or, externally by recruiting new people. Enlisting existing staff has the advantage of increasing the general level of morale by providing an example of career path development within the organization and stimulating others to greater achievement. It is also more predictable in its outcome as the applicant's contribution and performance within the organization will be known. However, in times of change, where very different skills may be needed in the future, this may not always be in the organization's best interest. People from outside the organization can bring different skills, talents, perspectives, practices and values than existing staff.

External recruitment is usually done using electronic job boards, local or national media, trade and professional journals. For more senior positions, employment agencies can be used to undertake executive searches and to screen potential applicants. Sometimes, personal recommendations from existing staff or staff in educational institutions are used, as well as unsolicited applications.

SELECTING PEOPLE

There are a number of ways to ensure that the right person is selected for the job. These include interviewing and using skills tests, presentations, job trials, psychological and personality tests. The interview is the most widely used method of selecting individuals and is aimed at:

- assessing an applicant's intelligence, talents, experience, level of motivation, and interpersonal skills;
- providing information to the applicant about the information service and its parent organization. This includes discussion on matters such as flexible employment conditions, salary and other incentives to ensure compatibility between the organization's and future employee's expectations;
- enabling the prospective applicant to evaluate the organization and make decisions as to its suitability as an employing body; and
- providing the first impression of the organization's culture, values and corporate dynamics.

Ideally the interview or selection committee should include the immediate supervisor and consist of between two and four people who collectively bring knowledge of the job and the organization, diversity of thinking and gender balance as well as an independent view. Their role is to make an objective judgement about which applicant best fits the job and the future direction of the organization.

In addition to or as a substitute for the interview, other tests can be used as part of the selection process. Written and skills tests as well as case studies can be used to test intelligence, aptitude, ability and interest. Performance job simulations such as work sampling create a miniature replica of a job. These and on-the-job trials provide practical scenarios where applicants are able to demonstrate the degree to which they can do the job. Likewise, the preparation and delivery of a presentation and the provision of portfolios of work also provide tangible evidence in presentation and analytical abilities. Formal assessments such as psychological tests, personality and aptitude tests can also be administered by trained professionals. Referees can also be used to screen or clarify a candidate's suitability to the position.

Leigh (2009:249) provides an analysis of the accuracy of recruitment tools indicating that assessment or testing centres, structured interviews, giving people sample work to so and ability tests are more reliable than biometric data, personality tests, unstructured interviews and references.

INTRODUCING THE PERSON TO THE ORGANIZATION (ON BOARDING)

Having attracted and appointed the right person to the job, the next stage is to ensure that they remain the right person in the job. Bringing the person on board through the induction programme is the first stage of a number of activities that enhance the development and performance of both the person and the job in line with the current and future state of the organization. It is a very important facet of management as it establishes what is required of the new employee. Induction orientates and introduces the new employee to the organization and its customer service focus. It allows the employee to become conversant with the job and how this relates to the information service's programmes and activities. If the employee is new to the organization, the induction process can provide them with insight into the organization's culture and values.

The induction process should provide additional background information such as employee benefits, salary schedules, safety, flexibility in working arrangements, probationary period, time recording and absences, leave conditions, organizational code of conduct, grievance procedures, hours of work, lunch and coffee breaks and use of facilities. It is also helpful to get to know the new person's background and interests, to emphasize the values and culture of the organization and to discuss how their actions and values can reinforce the culture. As they are likely to feel nervous or uneasy at first, it is essential to make them feel that the organization genuinely needs them and to enquire if they have any problems.

The work, goals and objectives of the department, its relationship to the total organization and other departments should also be explained in the first contact as well as informing the employees of who they report to, and who reports to them. This session can also include information visits to other business units, introductions to all senior officers and a complete overview of special programmes or facilities within the organization. As the new employees begin to be aware of the corporate culture and subcultures, they may need some explanation as to why certain things occur and the values that are most prevalent within the organization. With this in mind it is also useful to identify the people to approach to solve work problems as well as provide a policy and procedures manual and make sure they are not left alone to fend for themselves.

During the first week it is helpful to maintain contact with new employees and encourage them to talk about issues they have encountered as well as explain in more detail how their work fits into overall activities now and in the future. It is also important to help them to develop a sense of belonging, show an interest in and review their progress. It is also essential to be alert for personal problems that could affect their work performance and to clear up any misunderstandings. Discussions can include the organization's vision, how the service is changing to meet different generational needs and what might further change in the future. Their perspectives and thoughts regarding the future ought to be sought.

Finally, regular contact during the first month should help prevent grievances setting in. Progress can be checked and errors corrected by discussion or arranging further instruction. If they have done a job well, let them know that their efforts are appreciated.

Sustaining Skills and Talent for the Future

Having put effort into attracting talented and innovative people to the organization it is appropriate that steps are taken to retain and further develop these talents and skills. Sustaining the right leadership, skills and talent within the organization is set to take on even greater importance as more organizations realize that their employees' innovative talents and creative skills drive their business success and ability to change. Two strategies that can assist organizations in sustaining their human capital in an uncertain future and declining labour force are talent management and succession planning. Supplementing these are the acts of mentoring and career planning and leadership development.

TALENT MANAGEMENT

Talent management involves identifying, managing and developing critical workforce segments and personal traits such as flexibility, flair and creative aptitude that can be used for the benefit of the organization, as well as managing 'high value' individuals who excel in these traits. Most people bring a 'talent' to the organization, albeit some may be hidden as the individual prefers not to broadcast their talent or does not recognize the value of the talent. Hidden talents may include artistic abilities, lateral thinking or translation skills. In information services 'high value' talented people may include those who have entrepreneurial business skills to turn creative ideas into fruition, can lead significant change or have a flair for identifying political issues at an early stage.

Talent can be nurtured by having a culture of excellence. The role of the information services manager is therefore to:

- create a culture for nurturing talent and leadership from within;
- seek out and discover hidden talents;
- further develop these talents for the benefit of the individual and the organization through coaching and mentoring programmes; and
- take a holistic approach that respects individuals and empowers people.

As with workforce planning, talent management should be linked to the business direction. The critical characteristics and personal traits that contribute to outstanding performance should be those that reinforce the values and the preferred future of the organization. For example if the organization has a goal to move to 24×365 virtual services in collaboration with other services strategically placed around the world it will require talented people who have a global perspective, and have a flair for encouraging collaboration and cultural adaptability.

The second part of talent management is the management of 'high value' individuals whose outstanding traits and other particulars may be recorded in either the skills inventory or a specially designed talent database. Information might include details of their individual talent management plan, the criticality of their role, the scarcity of their attributes, succession opportunities within the organization and departure risk assessment

MANAGING CLEVER PEOPLE

Whilst talented people provide special aptitudes, flair and mindsets, clever people provide special skills and knowledge. Clever people have been defined by Goffee and Jones (2010) as being highly talented individuals with the potential to create disproportionate amounts

of value from the resources that the organization makes available to them. Whilst a clever person may also be considered a talented person, there is one point of difference. Clever people do not need an organization to achieve their full potential, they are self-supporting in their ability to succeed. Goffee and Jones have described nine characteristics of clever people:

- Their cleverness is central to their identity – their close identity between what they do and who they are means that they often see themselves as not being dependent upon others.
- Their skills and knowledge are not easily replicated as they are embedded in the individual. Whilst this knowledge may not be able to be captured, it can provide a competitive advantage whilst they are employed by the organization.
- They know their worth. They are confident in their own worth and ability. They have a clear understanding of their value to the organization and that their knowledge and personal networks are hard to replicate.
- They are willing to challenge and ask difficult questions. They also have great passion.
- They are organizationally savvy. Clever people find the organizational context where their interests will be most generously funded. They will often engage in organizational politics to ensure that their projects are indulged.
- They do not want to be led and are indifferent to the corporate hierarchy. Their sphere of influence is their knowledge and skills, not position.
- They expect instant access to senior executives.
- They want to be connected to other clever people to achieve their full potential. Networking is not a social nicety but a source of perpetual improvement and bright ideas. Networking allows them to question assumptions and to make previously unacknowledged links.
- They won't thank you or acknowledge good leadership.

Clever people need special leadership. They need to be given space and resources, boundaries and a sense of direction within which to focus their efforts but not close management. Recognition of their achievements is also important, although this is most valued when it comes from prestigious peers and clients outside of the organization.

SUCCESSION PLANNING

Akin to the processes of workforce planning and talent management is succession planning. Succession planning involves identifying talented individuals with the right leadership and communication styles, values, innovative mindsets, attitudes and agility and developing them to play a more significant role in the future. Succession planning involves:

- determining the critical skills, behaviours and mindsets that will be required by the future business direction of the organization;
- identifying talented individuals who have the potential to develop these skills, behaviours and mindsets; and then
- counselling, training, nurturing and providing stretch assignments and other experiences and opportunities for these individuals to develop the required attributes.

Apart from retaining and nurturing creative talent within the organization, succession planning enables the development of a career path and minimizes the risk of an incongruent

fit as the chosen individuals' history and work performance within the organization are known.

Kleinsorge (2010:67–68) has identified a further valid reason for undertaking succession planning: being better able to support rapid, frequent reorganization in challenging times. He argues that when leaders shift from old to new roles, the tacit knowledge regarding a team's group norms, communication styles, relevant incentives and other factors moves with the leaders transitioning to their new roles. This shift creates gaps in the corporate knowledge that develops along with a leader's experience. Following reorganization the new leaders have little time to gain this tacit knowledge and must start from scratch to discover how best to manage larger numbers of employees. Where there are frequent reorganizations succession planning can be successfully used to develop and transition employees into their new leadership roles.

Kleinsorge further advocates the use of Web tools to incorporate knowledge management and leadership development into succession planning to make it more responsive. He suggests that executives use information gathered by Web tools when preparing for corporate restructures, such as mapping social networks in a company and monitoring blogs and forums for quick identification of new leaders for executing a reorganization. His suggestions include:

- identifying potential leaders by:
 - comparing social network diagrams that track where employees go for information with organizational charts;
 - establishing and monitoring a blog that provides the values, ethics, beliefs and expectations of the organization regarding leadership;
 - establishing and monitoring a forum that allows employees to provide input on what managerial qualities work well and should be continued, as well as the characteristics and competencies that successors need in the reorganized structure;
- expanding leadership readiness by:
 - incorporating an aspiring leader training programme into the succession planning process;
 - delivering a blended learning course that has videos of exiting or retiring leaders providing philosophies on leadership at the company;
 - using multiple delivery modes such as wikis, e-learning courses and face-to-face sessions to provide employees with continuous access to leadership development training;
 - establishing a leadership community of practice by having employees who participate in the training contribute to wikis and so on, with examples of how they practice leadership; and
- rapidly transitioning new leaders by:
 - requiring the departing leader to have an information-sharing session with the incoming leader through stories and practical tips; capturing these sessions in video and audio formats and adding these to the learning assets of the leadership development programme;
 - using the leadership team to welcome new leaders and holding them accountable for introductions and the passing on of company values and standards for leadership;
 - sending a link to question-answer-action learning assets in an email for new leaders on day one of their new role; and
 - creating a site within the community of practice intranet that provides knowledge assets for new leaders.

Getting the Best Out of People

Getting the best out of people involves recognizing individual creative talents and balancing organizational needs with individual needs in a win-win situation. Most people genuinely want to make a successful contribution to the organization they work in. However, their contribution level will further increase if people are recognized and respected for their talents, knowledge, contribution, background and expertise, if the job becomes more meaningful and the individual is given more autonomy and discretion in keeping with their knowledge and expertise in determining how their work will be carried out. This is particularly important in information services where there is a rich diversity in the skills, backgrounds and expertise of employees.

Individual needs are met through two outcomes: the immediate or primary outcomes and secondary outcomes. Immediate positive outcomes can be influenced by generation age groups and professional background and are represented by money, promotion, feelings of achievement, recognition by peers or, negatively, by being shunned by fellow employees. Secondary outcomes arise out of the immediate outcomes. They include the new car that is purchased from the pay rise or the self-esteem that arises out of promotion. At various stages of their careers circumstances will differ and people will be motivated by different needs.

Not every job can be challenging and exciting all the time. In all organizations there are necessary activities to perform that are considered mundane, repetitive or dull. Whilst still respecting those individuals who have a professional standing for their talents, knowledge and expertise, managers may seek to improve the job satisfaction of those undertaking the more operational tasks through providing skill variety and work that challenges people's abilities. Variety can be produced by adding functions through job enlargement. Seeing and understanding how certain 'in between' tasks contribute to the end results and outcomes makes the job more meaningful to the individual and provides a sense of achievement and purpose. This in turn will also increase individual performance and satisfaction. However, the type of work assigned needs consideration. There is no point in enlarging a job merely by adding further onerous duties to an existing list of disagreeable tasks. If anything, this will have a negative effect on motivation.

Flexible work arrangements can also lead to greater output. Arrangements such as flexitime and job sharing can lessen the level of absenteeism and often utilize the individual at the time of their peak of productivity. Flexible work arrangements can increase individual enthusiasm and make it easier for the information service to recruit new people.

PERSONAL DEVELOPMENT AND LEARNING

Investing in organizational and individual learning is important in sustaining and renewing the corporate knowledge of the organization, in motivating and retaining staff as well as in keeping the organization ahead of their competitors. Personal learning and development strategies should be designed to balance the individual's personal learning and development needs that have been identified as part of a regular performance appraisal system, and those development strategies that support the organization's and work group's strategic business direction, programmes and activities.

Personal learning is different to training. The former should be viewed as a partnership between the individual and the organization and may include undertaking further study in a career related area. Examples of the latter include training on the features of a new business application or upgrade to an existing ICT system in order to make the most use out of the available functionality. Learning and personal development strategies may also include on-the-

job learning delivered face-to-face or electronically, mentoring, attendance at conferences and seminars, management placement programmes, targeted talent management, and opportunities to act in higher level positions.

Personal and professional development and learning is a critical investment for the future of the organization. Without it the organization is in danger of stagnating. Unfortunately during times of economic pressure, the budget for learning and development is often the first to be cut. Gaining support for executive commitment and recognition of the value of development and learning rests on explaining the business value of the development investment. This includes business arguments to the fact that knowledgeable staff project a professional image in customer service delivery as they have an in-depth understanding of the products and e-services that can be provided, invigorating new ideas that can lead to competitive advantage, meeting generational expectations in the workplace and the ability to retain talented staff through personal development opportunities without whom the organization may struggle.

Designing the programme

An effective professional development or learning programme satisfies both the knowledge and skill requirements of the individual participants and the business direction of the organization. The programme content must be relevant, understandable, easily absorbed, and associated with the work or professional environment. Learning materials should be varied in order to avoid boredom. There should be a mix of didactic methods such as lectures, visual aids, demonstration and panel discussion, and experiential methods such as field trips, structured discussion, brainstorming, case studies, role playing, sensitivity training and encounter training. These allow participants to test new concepts and behaviours against what they have previously learnt as well as re-examine past experiences in the light of new information and experiences.

A good professional development and learning programme provides enthusiasm where individuals will want to demonstrate their newly acquired knowledge, skills or behaviours. This can be assisted through active support and involvement in the workplace. An example is where the immediate supervisor holds meetings with the participant(s) before and after the session to determine the purpose of the programme, to set individual goals and objectives of the session(s), to look at ways in which the newly acquired behaviour can be reinforced back in the workplace, and to evaluate the outcomes of the programme.

The work environment provides the greatest continuing opportunity for professional development and job-related learning. This includes job rotation, secondments and the capacity to act in higher-level positions that can be undertaken in conjunction with other courses, seminars, conferences and other activities to reinforce the individual's effective use of their newly acquired knowledge, skills and competencies on the job.

At the end of any formal professional development or learning programme a review should be held between the organizer, the manager, the presenter (if it is a course) and participants to gather information and evaluate the session. It is preferable for this to be done whilst the programme is still fresh in everyone's mind. Items for review may include the pace of the session, problems with materials, groups, the presenter and general housekeeping issues.

REWARDS AND COMPENSATION

Rewarding or compensating people for their innovative ideas and personal contribution is a further aspect of getting the best out of people. Not all compensation needs to be in

the form of a monetary payment. What is important is the acknowledgement of the staff member in a manner that is meaningful to them. Diversity in the workforce means that reward structures need to be flexible to cope with different generational and professional values and recognition factors. Meaningful rewards can include attendance at a conference or opportunities to further an individual's skills and career opportunities through job enrichment and job enlargement.

Job enrichment is not the allocation of more tasks, but the allocation of increased autonomy and responsibility for work outcomes. Responsibility and autonomy can be increased by:

- allowing individuals to set their own work schedules;
- providing skill variety and rotating monotonous tasks between individuals on a regular basis; and
- allowing experienced personnel to train less-experienced workers.

Job enrichment will only work when the motivating potential of the job is high. The process has to be instituted selectively and with an acute knowledge of the motivational forces of the individuals. Individuals with high growth needs will eagerly accept the added responsibility. Those people whose growth needs are not so strong may respond less eagerly at first, or react negatively at being 'stretched' or 'pushed' too far. In times of economic constraint, people may also perceive the information service to be increasing duties and responsibilities without the proportionate increases in compensation. The motivational issues will then be lost as the organization will be viewed more as a 'money-saving' entity with little or no regard for its employees.

Finally, feedback is a necessary part of motivation. This can be measured by the degree to which an individual, in carrying out the work activities required by the job, receives information about the effectiveness of their efforts. Feedback is most powerful when it is received directly from the work itself.

MANAGING PEOPLE'S PERFORMANCE

Performance management is an important part of developing and retaining highly motivated individuals and a corporate environment that is creative, productive and happy. It is a day-to-day management task where continuous monitoring, counselling and feedback on performance take place in a positive environment where the bottom line is success for all. Performance management is often confused or used interchangeably with performance measurement. Fryer et al. (2009:480) differentiates them as:

Performance measurement is quantifying, either quantitatively or qualitatively, the input, output or level of activity of an event or process. Performance management is action, based on performance measures and reporting, which results in improvements in behaviour, motivation and processes and promotes innovation.

Performance measurement

Fryer et al. (2009) have identified four important areas of performance measurement that need attention when measuring individual and organizational performance:

- deciding what to measure – with an increasing importance on outcomes rather than outputs;

- how to measure it – ensuring that the indicator and rationale for measuring it are precise and accurate, able to measure results or behaviour and able to deliver the intended results. Tied into this is the ‘how’ and ‘when’ to measure;
- interpreting the data – ensuring that the indicators can be analysed and used to forecast demands, costs and performance; and
- communicating the results – ensuring that the performance measurement can produce and communicate information that can be used to change behaviours and improve performance.

Performance interview

Supplementing ongoing monitoring and feedback on performance, the performance interview is an opportunity where parties take time to discuss how to improve the organization, and for the employee to map out how their future work programme and personal development desires will contribute to and sustain the organization’s success. Opportunities for internal promotion should also be discussed and a reward system put in place to encourage productivity and innovation. These opportunities are also important in creating a highly motivated staff and maintaining morale levels.

The words ‘appraisal’, ‘interview’ and ‘performance review’ infer some judgement on an individual’s performance. Managed constructively, performance monitoring and appraisal systems can lead to discussions on:

- how the supervisor can make the person’s job easier (360 degree feedback);
- what needs to change in the organization to make the job easier (productivity);
- what new ideas the organization could implement to make it more successful (innovation);
- how to make the organization a better place to work (motivation);
- opportunities that can enhance skills, behaviours and the physical and emotional well-being of all employees (corporate development); and
- how to sustain the desired culture and values of the organization (corporate governance).

The discussion should also focus on the personal career ambitions and future personal and professional development needs of the individual concerned. This is because promotion and improvements in performance cannot take place without adequate skills and knowledge development. Performance monitoring and appraisal systems can also be used to develop an inventory of human resources that forms the basis for career planning and skills inventory from an organizational point of view. Counselling when negative activities are identified should be balanced with rewards and recognition that reinforce positive ideas and output.

Turnover and Separation

Staff turnover can be beneficial or detrimental to the information service, depending on the consequences and future direction. On the positive side it allows the opportunity to recruit people with new skills and outlook and can increase the level of flexibility in the type and numbers of employees, particularly in times of significant change. A controlled turnover of employees can also contain the level of incremental salary creep.

The negatives are associated with the loss of corporate knowledge and employee morale. Financial costs are incurred in severance pay, advertising and the recruitment of new personnel, as well as in their orientation and training. There is often an associated loss in

output and productivity until the new person gains the knowledge and skills of the previous incumbent.

Different jobs will experience different turnover rates and the economic climate will also influence the turnover rate. Notwithstanding this, there is an optimum turnover rate. Too slow a turnover rate will result in a staid organization; too high a turnover rate is unsettling and disruptive for those remaining. It is often a symptom that there is a problem within the organization.

At a personal level there are many reasons why people leave organizations. Some of these are voluntary; such as to relocate, to undertake a different career path, to experience a change in a work environment or to retire. There are also occasions when the person leaves on an involuntary basis. For example, individuals may also be transferred out of an area to meet operational needs, but may still remain employed in another part of the organization. Redundancy and dismissal, both of which need to be managed sensitively, are other reasons for separation.

Redundancy occurs when employees are released from employment because the organization no longer has a need for their services. Redundancy may be voluntary or involuntary. Redundancy may mean that the individual is placed elsewhere in the workforce, or it may mean total severance. Redundancy can arise through the introduction of new technologies, through business reengineering, a takeover, or downsizing the organization's operations. Depending upon the reason for the redundancy and the individual's abilities, opportunities for retraining or reskilling may be few. Where a person is made redundant it is important that the process is carried out as quickly as possible, whilst preserving the person's dignity. Placement agencies may be used to assist the person and their family to adapt to their new situation and to search for new employment opportunities.

Dismissal is probably the most distressing method of separation for both the manager and the individual as it may be the culmination of a difficult lead-up time or emotional situation in terms of behaviour, performance or attitude. Depending on circumstances, dismissal should only occur after all attempts to improve or correct the offending aspects have failed. It should be recognized that at some stage, the individual concerned was recruited by the organization for their skills and attributes. Having attracted and employed the individual the organization has an obligation to develop the person according to its needs and values. There is also a responsibility for ensuring that every opportunity is provided for an individual to succeed. This includes the provision of adequate communication, counselling, training and supervision. Managers also have a legal and ethical obligation to ensure that the person's case has been heard objectively and fairly before they are dismissed.

Information services should have formalized grievance procedures that are made known and accessible to management and staff. No employee should be dismissed for a first breach of discipline, and no disciplinary action should be taken unless the case has been carefully investigated. Where dismissal arises from criminal activity, the remaining staff may need counselling as they may vicariously share in the guilt.

THE EXIT INTERVIEW

Many managers overlook the exit interview as an opportunity to review and obtain feedback about their management style and the organization from an employee's viewpoint. Holding exit interviews with employees when they leave allows managers to actively seek out suggestions that will enable them to be better employers.

Whilst open communications should allow employees to bring their concerns to the attention of management at all times, some employees may only feel able to discuss matters

that have been of concern to themselves or others when the bond between the employee, the manager and the organization is broken. The highlighting of both the positive and negative aspects of the organization should, if taken notice of, make the organization a better place to work. For example, the exit interview might highlight inappropriate policies or procedures or ineffective communication channels that were previously unknown to management.

Conclusion

Attracting and retaining talented people who can achieve personally and corporately is undertaken at a strategic and operational level. The strategic component comprises proper planning that enables the information service to identify its required future talents, skills, expertise and staffing structures and takes into account changes in services and technology. A continuous review of where the organization is heading can also eliminate problems of the oversupply or undersupply of particular skills and expertise within the information service. It also aids in the determining of retraining needs in relation to required skills arising out of change and the introduction of new processes.

At an operational level, continuous and proactive activities can be found in specifying required talents, skills and competencies to meet current and future needs as well as organizational objectives; recruiting and selecting the right individuals; developing creative skills, expertise and knowledge; motivating people and acknowledging different generational needs in the workplace; as well as managing performance with opportunities for review and feedback. Gap analysis and skills inventories are two tools that can be used in determining whether there is, or likely to be a deficit, match or excess of specific skills, expertise and knowledge in the organization.

The emphasis in attracting and retaining the right people includes the need to 'marry' the job, the person and their needs, the organization and the situation. Employees' skills, knowledge, outlook and experience are important in adding value to the organization's objectives and programmes. Development and learning opportunities as well as mentoring add to existing abilities and knowledge, increasing the value of the employee's contribution to the organization, as well as providing occasions for individuals to develop their own personal and professional competencies to maximize and sustain their career progression.

Responsibility for the attraction, retention, development and recognition of talent across the organization, together with the accelerated development of 'high value' individuals, are both line management and specialized human resource management roles. Recognition is of particular importance as giving prominence to 'high value' people with outstanding talents will create role models for others to emulate. Those with the talented attributes will also act as champions for the desired thinking.

It is inevitable that at some stage, an employee will leave the organization. Whether this is for personal or organizational reasons it is important that the process of separation is well managed for both the employee and for those who remain in the organization. Whilst there should be mechanisms in place to provide for continuous feedback and review, the use of an exit interview at the time of separation can provide very useful feedback for the manager and the employee.

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Ensuring Value for Money and Sound Finances

Ensuring value for money and a sound financial future involves the process of identifying, costing and allocating income and expenditure to resources and activities that can be used:

- in the development of budgets and business cases;
- to determine which services provide the most value for money;
- to evaluate benefits of services; and
- to identify where increased efficiencies should be sought to ensure that the organization can meet its business and financial obligations.

Good financial planning and management becomes absolutely essential in ensuring valued investments in times of economic constraint, as well as making certain that the organization can live within its means. Supporting this are the activities of analysing costs, productivity curves and considering alternative options for budgets and in business cases. These ensure that there is optimum use of resources and that productivity gains are being achieved.

This chapter provides an integrated approach to planning and implementing sound financial strategies (see Figure 4.1). It considers the relationship between the budget cycle and the strategic planning cycle, the preparation of budgets and business cases, as well as methods of calculating expenditure in order to determine where efficiencies are being met or need attention, and which services should be continued or retired. It provides examples of financial models and processes which can be used to ensure that programmes or activities are managed in a financially sustainable manner as well as providing inputs into performance management and measurement.

Creating a Business Case for New Proposals

When any new major initiative (programme, system, product or service) is proposed it is most likely that a business case will need to be prepared in order to ensure that:

- correct problem definition has taken place, that alternative solutions have been considered and that the proposed initiative presents the best business solution to the problem on hand;
- the proposed initiative is valid, has been well thought through, properly scoped, has long-term sustainability and can be thoroughly justified;
- the investment has value and importance for the core business and strategic direction of the organization;

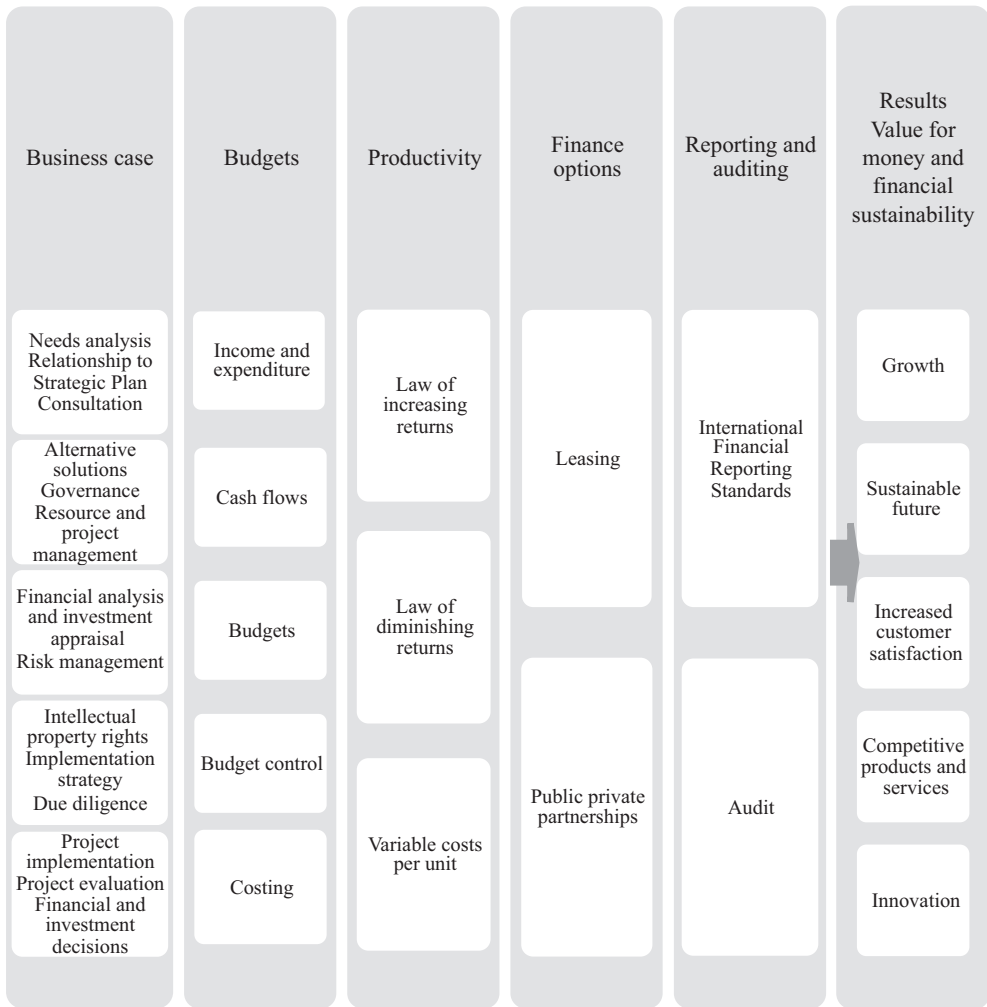


Figure 4.1 An integrated approach to financial planning

- all costs, risks, inter-dependencies, returns, benefits and change management strategies have been identified;
- the intended objectives, outcomes and benefits have been identified and all parties to the initiative have the capability and capacity to deliver the benefits;
- proper consultation has been undertaken with stakeholders (customers, suppliers, collaborative partners and so on) to ensure that the initiative meets their needs;
- a thorough analysis of the market, competitors and environment has taken place;
- there is a project sponsor, sound governance and proven project management process in place at the beginning and for the life of the initiative; and
- due diligence has been carried out on any business partners to the initiative regarding their capabilities, governance, financial viability and sustainability.

A business case model is provided in Figure 4.2.

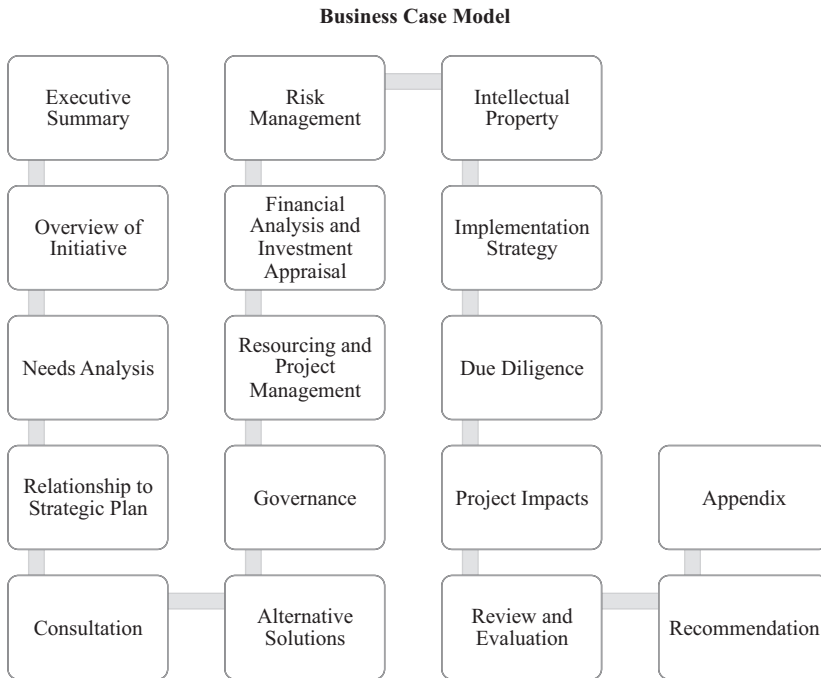


Figure 4.2 Business case model

Generally the project sponsor will complete the business case as they would normally be accountable for the delivery of the outcomes and benefits associated with the initiative. If the initiative proposes the introduction of a new technology the emphasis of the business case should be on the business capabilities and impact rather than on the technology itself.

The business case outlines how the proposed initiative meets the strategic business priorities of the organization and provides the financial justification, market analysis, details of the expected impact, sustainability and value of the initiative in meeting current and future customer needs, as well as addressing alternative means of achieving the goals (including change management strategies), the timing of the initiative, its risks, sponsors, financing sources, change management and project management methodology. Text Box 4.1 provides an outline of the sample contents that can be used in the preparation of a business case. Business cases should be comprehensive and consider all factors so that a proper and measurable evaluation of the initiative can be made in an environment of scarce resources. They should be clear and concise, addressing all of the factors in a transparent manner so that the initiative can be assessed against the relative merits of alternative proposals concerning:

- its value for money;
- its long-term impact and contribution to the strategic business direction of the organization;
- the costs, risks, expected savings and other benefits; and
- whether the initiative is achievable, sustainable and realistic in terms of financial and human resources allocated, timeframe and technological capability.

TEXT BOX 4.1 OUTLINE OF SAMPLE CONTENTS OF A BUSINESS CASE

Business Case Framework

1. Executive Summary

Provides a high level overview of the initiative including:

- 1.1 Background to proposal
- 1.2 Relationship and contribution to the business strategy and how the initiative links to or supports other organizational projects
- 1.3 Project justification and anticipated outcomes
- 1.4 Total funding required
- 1.5 Critical success factors and timeliness in achieving business benefits
- 1.6 How the benefits will be achieved and measured
- 1.7 Risks and opportunities – strategic, financial, technical, safety, environmental, operational, compliance, reputational
- 1.8 Alternative options considered
- 1.9 Impact on business if the initiative did not proceed
- 1.10 Specific recommendation as to whether the initiative should be supported

2. Overview of Initiative

Summarizes the initiative in terms of:

- 2.1 Specific objectives of initiative
- 2.2 Rationale, timing and priority of initiative
- 2.3 Consequences and business impact if initiative is not approved
- 2.4 Expected outcomes in terms of tangible products or services
- 2.5 Conclusions

3. Needs Analysis

Provides evidence of business need and demand for outputs of the initiative, including:

- 3.1 Market analysis – qualitative or quantitative evidence of unmet need, demand for service or product, whether participation in market will strengthen the organization's reputation
- 3.2 Situation analysis – size of market, state of market – for example growth, decline, increase or decrease of competition – market structure
- 3.3 Target audience
- 3.4 Competitor analysis – size, goal, market share, product or service quality and other information about competitors' intentions, how the initiative compares to similar competitors' products or services
- 3.5 Explanation of why need or demand is not met by existing programmes, services, products

4. Relationship to Strategic Plan

Outlines relationships to the business strategy and how the initiative links to or supports other organizational projects including:

- 4.1 Relationship and alignment to organization's vision, mission, business objectives
- 4.2 Links with other initiatives, services, current and proposed business activities

- 4.3 Relationships with other stakeholder offerings
- 4.4 Impact of initiative on business outcomes and services
- 4.5 Anticipated benefits

5. Consultation

Outlines process of consultation undertaken with internal and external stakeholders, including:

- 5.1 The extent of their agreement to participate in the initiative
- 5.2 Ability to contribute time and resources to initiative
- 5.3 Specific responsibilities and whether they are prepared to meet their obligations

6. Alternative Solutions

Outlines alternative solutions that have been considered, including:

- 6.1 Costs and benefits of each option (including 'do nothing' option)
- 6.2 Preferred option

7. Governance

Provides details of how the project will be governed and how any legal requirements that will impact on the initiative will be managed, including:

- 7.1 Project sponsor
- 7.2 Legal structure of any proposed joint venture, collaborative agreement
- 7.3 Membership of governance committee and responsibilities
- 7.4 Frequency of meetings
- 7.5 Statutory or regulatory requirements

8. Resourcing and Project Management

Provides details of the resources required and how the project will be managed, including:

- 8.1 Financial, human, technical resources
- 8.2 Timing for resource requirements
- 8.3 Project management team – membership, qualifications, level of authority
- 8.4 Project management methodology to be used
- 8.5 Sourcing strategy, for example lease, build, buy, and rationale for selection
- 8.6 Management of supplier relationships
- 8.7 Contract management

9. Financial Analysis and Investment Appraisal

Contains a statement of the estimated total financial costs and benefits that will be incurred and earned over the whole of life for the proposed initiative (and alternative options) including:

- 9.1 Amount of investment required and source of funding
- 9.2 Key financial parameters and assumptions
- 9.3 Total capital and operational costs for the life of the project, including staff costs, insurance, on-costs, physical resources, change management, retraining, data conversion and so on.
- 9.4 Project income and expenditure for next three years

- 9.5 Investment appraisal using Net Present Value (NPV), payback period, breakeven point
- 9.6 Discounted cash flow analysis

10. Risk Management

Outlines how and what risks have been identified, and how they will be monitored and mitigated:

- 10.1 Identified risks – strategic, financial, technical, safety, environmental, operational, compliance, business reputation
- 10.2 Risk management strategies
- 10.3 Whether potential opportunities outweigh the risks
- 10.4 Whether the risks are insurable
- 10.5 Whether everyone accepts the risks

11. Intellectual Property

Outlines how intellectual property is managed and assigned for:

- 11.1 New intellectual property
- 11.2 Existing intellectual property

12. Implementation Strategy

Outlines how the project will be implemented, including:

- 12.1 Project plan, project milestones and timescale
- 12.2 Assumptions and dependencies
- 12.3 Change management plan
- 12.4 Communications plan

13. Due Diligence

Outlines formal due diligence process if the initiative includes a third party, including:

- 13.1 Description of third parties
- 13.2 Location of offices
- 13.3 Details of certificate of registration
- 13.4 Confirmation that they have resources (staff, funding, other resources) to undertake the initiative and deliver the outcomes
- 13.5 Financial viability and sustainability – results of independent credit reference check, summary of most recent financial statements, cash flow analysis, assets, ability to fund startup costs, absorb operating losses if incurred and fund future capital expansions
- 13.6 Procedures to be used to monitor ongoing financial performance
- 13.7 Reference checks that provide confirmation that they are able to do the things required
- 13.8 Reputation
- 13.9 Previous track record
- 13.10 Governance – information on directors or officials and whether any director or official has been declared bankrupt, charged with a criminal offence, or is exposed to a conflict of interest
- 13.11 Conclusion re: status

14. Project Impacts

Outlines the impacts that the initiative might have, including:

- 14.1 Economic evaluation on industry and the economy
- 14.2 Social impact analysis

14.3 Environmental impact analysis – broad environmental trends that will impact on the initiative, for example demographic, technological, political/legal, social-cultural trends, environment

14.4 Project sustainability

15. Review and Evaluation

15.1 Performance measures

15.2 Strategies for post-implementation review

16. Recommendation

16.1 Recommendation for project

17. Appendix

17.1 Glossary of terms

17.2 Acronyms and abbreviations

MAKING FINANCIAL AND INVESTMENT DECISIONS ON NEW PROPOSALS

Any new initiative will require funds that are in effect ‘borrowed’. This is true even if the funds are provided as ownership capital by the organization as the selection of the initiative commits funds that could otherwise be invested in some other alternative. Therefore in order to estimate the attractiveness of an investment opportunity it is necessary to know the true cost of the proposed initiative and recognize:

- the cost of using the money (known as interest) over a period of years (compound interest);
- the time value of money, that is the future value of the money that is invested today (discounted cash flow); and
- how much value or profit the investment makes to the organization (net present value).

Tables and spreadsheets can be used to calculate these costs.

Compound interest

In comparison to simple interest, compound interest arises when interest is added to the principal, so that from that moment on, the interest that has been added also itself earns interest. This addition of interest to the principal is called compounding (for example the interest is compounded). For example, a loan with \$200,000 initial principal and 5 per cent interest per month would have a balance of \$210,000 at the end of the first month, \$220,500 at the end of the second month, and so on. Compound interest enables the true cost of using the money to be known by compounding the interest.

Discounted Cash Flows (DCF)

Discounted Cash Flows is a valuation tool that recognizes the time value of money in making investment decisions. That is, a given amount of money invested in one year will attract

interest over a given amount of time. For example, \$200,000 of today's money invested for one year and earning 5 per cent interest per annum will be worth \$210,000 after one year. Likewise, \$200,000 paid now or \$210,000 paid exactly one year from now will both have the same value to the recipient who assumes 5 per cent interest.

Net Present Value (NPV)

Net Present Value is used to analyse the profitability of a proposed initiative and to indicate how much value the initiative adds to the organization in comparison with other alternatives. It can be used to decide which of two or more proposed initiatives should be implemented by choosing the initiative yielding the higher NPV. NPV is a financial measure based on the present value of cash inflows and present value of cash outflows. That is it compares the value of a dollar today to the value of that same dollar in the future, taking inflation and returns into account.

The use of NPV is purely for financial analysis regarding which initiative will provide the most positive financial return. Thus if the NPV of the initiative is positive, it should, all other factors being equal, be accepted. However, if the NPV is negative, the initiative should probably be rejected because cash flows will also be negative. As NPV does not take into account other factors such as the initiative's contribution to the strategic positioning of the organization or its alignment to the proposed strategic business direction, it should be regarded as just one input into the final decision about an initiative.

NPV is calculated using tables and spreadsheets such as Microsoft Excel. It takes into account:

- start up costs – immediate cash outflows (which might include purchase of hardware and software, employee training and change management costs);
- operational costs – involving other cash outflows for the following years; and
- incoming cash flows over the period of years.

Benefits Evaluation

Being able to articulate, evaluate and realize both the tangible and intangible benefits that information services deliver is an essential management tool. Reasons for this include:

- the necessity to look elsewhere for alternative funding sources such as from the private sector who will look critically on their return on investment; and
- the requirement to demonstrate a range of community development or business outcomes in order to maintain political and public support for new and existing initiatives that are competing with other demands in the public and private sectors.

Sumsion et al. (2003:14) identify that economic aspects are only one part of the equation. Values such as learning, education, information, culture, social and community impact, as well as recreation also contribute a beneficial return on the investment. Society benefits can be found in terms of enhanced quality of life, increased knowledge and skills, greater community cohesiveness and enhanced community development,

increased social capital and sustainability. For example, public library outreach and literacy programmes for children and parents can deliver many individual and family beneficial outcomes including:

- increased parent confidence
- increased developmental outcomes for children
- better children's well-being
- increased resourcefulness of parents
- increased community involvement
- greater levels of happiness.

Together these realize higher order outcomes for parents and families, including:

- better development outcomes for children
- improved parental capacity
- improved family health
- improved parent-child relationships.

These then result in long-term community outcomes such as:

- improved health and well-being
- increased employment opportunities.

Sumsion et al. (2003:14) also considered the benefits of public libraries on the basis of 'public' or 'merit goods' and 'private goods'. They explain that the benefits of 'merit goods' extend beyond the individual user to society in general. 'Merit goods' promote causes such as education, culture, informed citizenship, social inclusion and equality of opportunity – which extend beyond leisure use. Positive externalities arise where a better-informed and educated clientele enjoys external benefits that affect others beyond the individual user. The acquisition of a commodity can provide external benefits to others besides the acquirer. We all benefit when ignorance is reduced.

In support of the 'private goods' argument, they identify that borrowing from a library is an economic alternative to buying and owning as a private person. They provide a formula for the economic value as follows:

$$\text{Value of benefits} = f(C-L)(N)$$

Where

C = cost of commercial alternative

L = charge made by the library (0 if free)

N = number of users (or audiences)

Quantifying family and community beneficial outcomes is more difficult in comparison to using tangible outputs such as an increased number of transactions. Unit costs such as unemployment allowances or cost per child needing special education help for literacy and catch up programmes can all be used as offset/avoidable costs in quantifying and evaluating beneficial outcomes of programmes.

As organizations move from information provision and interactive e-services typical of Web 1.0 and Web 2.0 tools to more high-value transformational outcomes through the exploitation of knowledge and information and information and communications technology (ICT) found in Web 3.0 and Web 4.0 applications the span and level of sophistication of benefits evaluation and realization increases. Each generation of Web technology tools has delivered incremental benefits (see Figures 4.3 and 4.4).

Benefits can arise through:

- increased organizational performance by way of efficiencies and productivity gains, more reliable knowledge and information for better decision making, increased global competitiveness, increased revenue, growth in intellectual capital and renewed investor interest;
- quality customer service, convenience and choice by means of multiple delivery channels; direct cost savings, efficiencies in interactions, more accessible information for better decision making, and personalized, customized and integrated e-services available anywhere at any time; and
- political benefits which include increased trust and citizen engagement, increased transparency and accountability in elected governments.

Organizational benefits

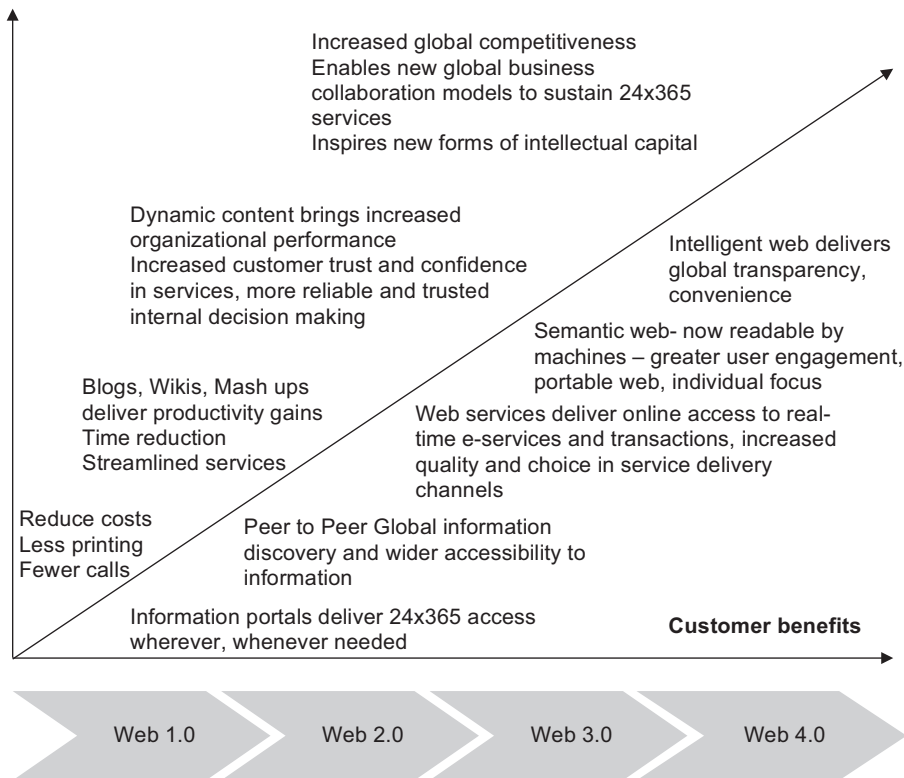


Figure 4.3 Organizational and customer benefits that arise through the use of ICT

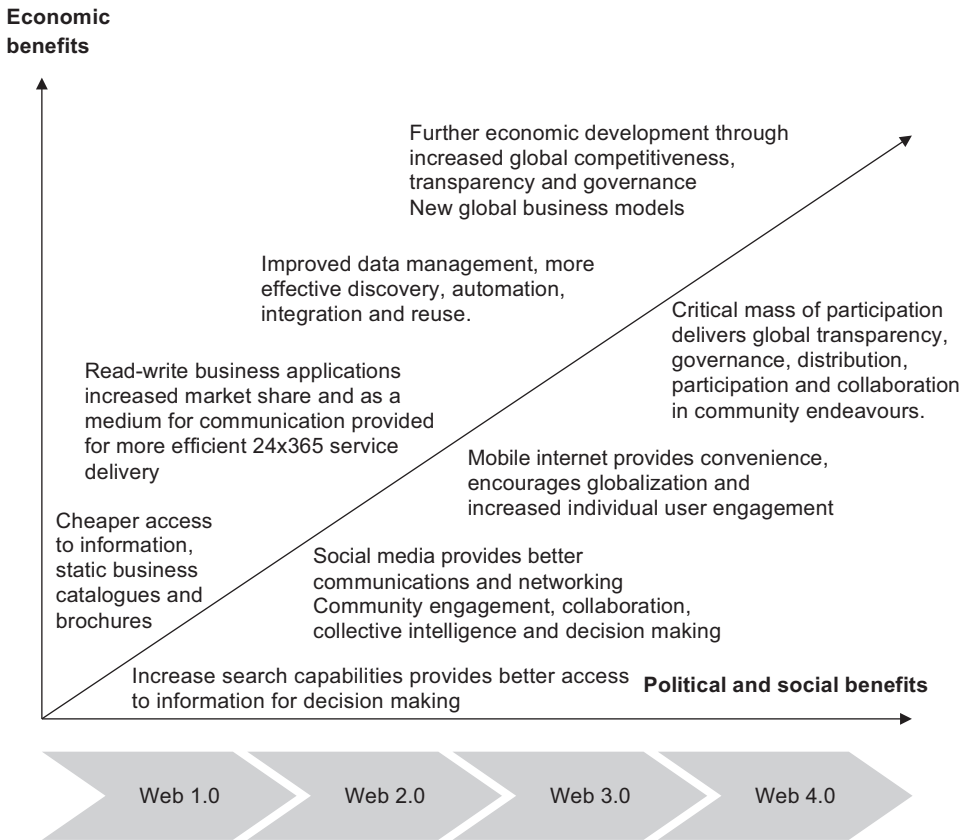


Figure 4.4 Economic, social and political benefits realization model through ICT

Planning and Managing Income and Expenditure Through Budgets

Budgeting is effectively planning for financial resources to support the information service’s activities and as such should be integrated and progressed alongside the ongoing activities of the strategic planning process, see Figure 4.5. The overall preparation and coordination of the budget are often the responsibility of the financial services manager or Chief Finance Officer, who is also entrusted with administering the allocation of funds within the organization’s overall programmes and activities. However, accountability for the overall financial position of the organization rests with the Chief Executive Officer. It is their responsibility to ensure that the organization can meet its financial obligations at all times.

The budget is the financial statement that identifies how all income and expenditure should be allocated and managed for a specific period. Usually it is prepared to cover a financial or calendar year, but can cover a longer period of time – for example a triennium. Occasionally, a half-yearly budget is planned.

As it is prepared in advance the budget serves as the means of control as to how monies are spent and a check on what monies should have been received. It provides a snapshot of

	Strategic planning process	Financial planning process
Timeframe	Establish strategic objectives	Strategic financial planning
	Identify significant programmes and activities for the next three years	Develop business cases for major initiatives Three-year forward estimates (capital and operational) prepared and approved based on major direction set
	Establish projects and activities to meet operational objectives	Establish budget and cash flow for operational year's income and expenditure
	Review progress and performance against operational objectives	Review progress against budget
	Establish priorities for following financial period	Negotiate budget for forward estimates for programmes for the following financial period
	Revise forward work programmes and activities according to budget allocation and costings	Allocate budget for financial period to programmes and activities Further economic analysis re costings of activities and services
	Implement programmes and activities	Monitor income and expenditure according to budget and cash flow
	Review and evaluate programmes and activities	Review and evaluate budget

Figure 4.5 Relationship between the activities of the strategic planning process and the financial planning process

the organization and earmarks the amounts of expenditure and anticipated income for items and services delivered by the information service.

Budgets are often broken down by either programmes or activities across an organization. These may be further related to cost centres such as branch libraries, records management office or the geographic information services section. Cost centres may be further broken down to cover specific services.

The process of preparing the budget, ensuring that income and expenditure for the information service's activities stays within the budget and determining the efficiencies of activities and programmes is usually delegated to the team leaders or managers who oversee these activities. Activities and programmes should be continually reviewed to determine how they can be made more efficient or profitable, provide better value for money or made more financially sustainable in challenging times. This may result in services being redesigned to move them to more self-service or lowering overheads by integrating e-services into a one-stop service.

The decision on the amount of funds to be allocated to each programme is usually made at the executive or ownership level of the parent organization. Therefore it is most important that managers keep the senior management and stakeholders of the parent organization fully informed of actions they have taken to increase productivity, the costs and benefits of each programme and activity, as well as their progress to meeting the organizational goals and other achievements throughout the year. This is so that when they make hard decisions in times of economic constraint the members of the executive are fully informed.

Similarly, whilst discussions about the value and benefits of continuing with programmes and activities or the merits of individual items in the budget will be part of the budget preparation process, justification should not just be limited to this time period. The review

and questioning about the appropriateness of services and levels of funds should be a continuous exercise. The senior management of the parent organization and other relevant stakeholders such as board members should have their views sought on policy directions and matters for the forthcoming budget well before the presentation of the information service's budget. Proposals for new services should be introduced through the formal business case rather than in the budget documentation.

Whilst it is important that the proposed budget is fully supported by documentation linking programmes and activities with approved plans and business outcomes, often this is not enough. The information services manager should take the time and effort to understand the politics of the budget process within the parent organization. Such managers need to win the budget arguments, not just be part of them. Where possible they should be involved in the budget deliberations so that they may learn the rationale behind their bids being accepted or rejected. Networks may be formed with key stakeholders in the treasury or finance department in order to put the information service's point of view forward and gain support for certain proposals.

The lack of a personal opportunity to participate in the final budget deliberations should not prevent the information services manager from obtaining the required budget allocation. The credibility of the budget details and the recognized value of the information service are what matters most. The justification for the information service's budget will already have been made if the arguments for the services have been well presented in detailed and timely reports throughout the year. If the information services manager's personal network has been effective, key members of the budget committee will be supportive of the activities and associated budget.

CALCULATING INCOME AND EXPENDITURE

The preparation of a budget necessitates the calculation of income or revenue and capital and operational expenditure. This often means delving deeper into budget breakdowns that provide additional information. For example, an item on the budget labelled simply 'staff' provides very little management information. It is more meaningful to show a breakdown according to salaries, superannuation on salaries, workers' compensation insurance, training and staff development, conference fees, and advertising staff appointments.

In preparing the budget, some operating expenditure costs will be harder to forecast than others. Some providers may have already announced their rates or increases in charges and so expenditure in these areas can be calculated quite easily. Fixed-price contracts, such as for cleaning or maintenance agreements for certain equipment, may also be known. Sometimes overheads for buildings are conveniently reduced to a rate per square metre per annum for budget calculations.

Calculating income and expenditure and costing services becomes much more complex as libraries and information centres move to virtual services. E-books, e-journals and shrink-wrapped software present a number of challenges in calculating expenditure and other costs as the pricing/subscription models are both changing and inconsistent across the industry. For example, some publishers charge for e-books according to a:

- time-based subscription fee such as an annual fee for either limited or unlimited use;
- fee based on the number of accesses and/or downloads; or
- one-off flat fee.

Suppliers of shrink-wrapped software offer enterprise-wide agreements based on an annual subscription model according to the number of desktops or number of users at any one time. Copyright Collecting Agents that collect fees on behalf of creators for works

performed, broadcast or photocopied are also moving towards collecting fees for works displayed electronically.

Payroll systems can assist in the calculation of salaries as the diversity of employees in information services, for example records management, archives, programming, systems analysis or library services, means that few staff are paid on the same salary scale. Other variations may occur with some staff receiving annual increments in their salaries, whilst others' salaries may be calculated on a ratio associated with profit increases. Annual increments may be adjusted according to age (on birth date) or years of experience (the date they commenced employment in a particular position).

Allowances to cover price increases may need to be built-in to the budget. This is particularly the case with capital expenditure items such as new buildings that are costed in preparation for the budget far in advance of when they are contracted out. Inflation rates and international currency exchange rates will contribute to variations. These changes must also be taken into account when preparing the budget. Assistance in forecasting changes to these rates can often be found in finance areas.

It is important to anticipate correctly revenue patterns and levels. Any income revenue in excess of expenditure at any given time is often invested in the short-term money market to provide additional funds for the organization. Variances in income revenue will disrupt the ability to plan investments wisely. Although some changes in income levels may be unavoidable, any anticipated changes in policies which could affect the income revenue levels should be accounted for in the budget. Examples would be the anticipated increase from the introduction of a new user-pays service or additional income from an increase in the use of a fee service such as a photocopying or scanning machine.

PREPARING CASH FLOWS

As part of the budget processes, the information services manager may also be required to prepare a cash flow for the budget period, highlighting anticipated expenditure and income on a weekly or monthly basis. This is so the overall income and expenditure position of the organization can be managed and budgets controlled. Preparing a cash flow requires forecasting when certain expenditure and income falls due. It is usually in the form of a spreadsheet with the time periods (each week or month) across the top or horizontal axis and expenditure and income items on the side or vertical axis. Details of amounts of expenditure for each item are then entered in the relevant time period. Some costs such as rent (weekly or monthly) and energy costs for lighting and air conditioning (quarterly or six weekly) are easy to forecast as to when they fall due; however, seasonal variables in energy consumption need to be factored in. Staff costs (including superannuation, work-cover insurance costs, annual leave loadings) in the main can be extrapolated across the whole period; however, seasonal fluctuations need to be forecast. The cash flow spreadsheet will also need to identify when items such as software upgrades, new equipment, mobile phones or desktop computers will be purchased, and when travel expenditure and conference attendance will be incurred.

Cash flow spreadsheets are prepared using spreadsheet software such as Microsoft Excel, or they can be a feature in an accounting package such as MYOB.

CONTROLLING BUDGETS

The budget control process is a continuing one. Generally, expenditures and income must be made within the framework of the amount allocated against each item. This is part of an accountability process.

Income and expenditure are usually documented in either weekly or monthly cash flow budget reports. These reports show the total income and expenditure amounts budgeted at the beginning of the financial year, the actual expenditure or income received to date, and the committed expenditure to date. Actual expenditure refers to the amounts already paid (expended) for goods or services received. Committed expenditure refers to the outstanding expenditures for goods or services which have been ordered but not yet paid for. The goods or services may or may not have been received by the cost centres in the information service. In calculating total expenditure costs to date, both the actual and committed expenditure amounts should be added together.

Statements of committed and expended funds should be regularly monitored and reviewed in order to control the budget and meet accountability requirements. Appropriate budget adjustment mechanisms should be available to allow for unexpected events or changes in priorities that could not be foreseen when the budget was framed. Any anticipated increase in expenditure above that provided by the budget must often be offset by either an increase in income to offset the expenditure, or a decrease in expenditure in another activity in that area. Unexpected expenditures such as costly emergency repairs to buildings may incur a reallocation of funds from elsewhere. These readjustments of funds need to be authorized by senior management and endorsed by a board if it exists.

Understanding Expenses and Income Through Costing

Costing is important in understanding the expenses and income that make up the budget. It is also an important activity in determining where more attention should be paid in increasing efficiencies or productivity to make service delivery more sustainable. In times of change and constraint it provides the opportunity to drill down and be conscious of the expenses that make up the budget. These can be analysed to determine:

- expenses that cannot be deferred without some impact on service provision (operating costs);
- expenses that could be deferred with a somewhat lesser impact (capital costs);
- alternative uses for expenditure (opportunity costs);
- costs that may or may not alter according to demand (variable and fixed costs);
- costs that may or may not continue if an activity or programme is withdrawn (direct and indirect costs);
- the true cost of an activity or programme (cost accounting);
- the comparison between inputs and outputs in order to compare and measure the performance of different activities and programmes (unit costs);
- the minimum cost that should be charged for a product or service (unit costs); and
- a better picture of the total cost of the service, including the cost of downtime of equipment or the cost of reworking a piece of programming (activity-based costing).

CAPITAL AND OPERATING COSTS

Capital costs represent long-term investments and include one-off items of significant expenditure such as a new library building or major information technology system. They are also associated with up-front acquisition expenditures such as furniture and fittings as well as intangible assets. As capital costs often incur large sums of money, their payback is usually funded over a number of years (see financing options later in this chapter). Capital expenditures can recur over time, but they are not ongoing costs.

Operating expenditures are associated with recurring or ongoing activities relating to the day-to-day operations of the information service. They include salaries, electricity, telecommunications and training that are funded through the annual budget provision. These may be divided further into fixed and variable costs.

FIXED AND VARIABLE COSTS

Knowledge of both fixed and variable costs is necessary in order to budget effectively. Energy costs for lighting and air conditioning are examples of fixed costs as they remain unchanged unless the number of staff increases considerably. Energy costs will only increase if longer opening hours are required or additional physical space is necessary that requires lighting, increasing the energy consumption.

Variable costs change according to usage and include consultancy fees, use of on-line information services, postage and courier costs. Staffing costs are also variable costs as an increase or decrease in the number of staff employed will result in a corresponding increase or decrease in the budget for salary, superannuation, training and work-cover insurance.

OPPORTUNITY COST OF CAPITAL

The opportunity cost of capital recognizes that funds invested in assets could have alternative uses and that an allowance should be made for a rate of return on the asset.

DIRECT AND INDIRECT COSTS

Direct costs are those that can be attributed directly to an output or activity. These are usually easy to determine, for example printing, office equipment and salaries, superannuation and workers' compensation insurance costs of those members of the team associated with the activity.

Indirect costs can be harder to quantify and calculate. These are overheads and other costs that are not directly attributed to a definite activity or output, but which contribute to the cost of the service or product. An example of an indirect cost might be rent on a building from which a number of activities or outputs operate. Indirect costs are usually apportioned to individual activities or outputs on:

- a usage or benefit approach or
- a pro rata approach.

COST ACCOUNTING

Cost accounting measures what it costs to complete an activity. It is a tool that can be used as input to a performance measure and to determine the anticipated value of certain activities, to calculate a minimum charge for a product or service, for comparative purposes to measure efficiency and productivity and, in financially impaired times, to determine which services are more financially sustainable than others. For example, analysing and comparing the costs of programmes or activities is an important means through which the organization can determine which programmes and activities can be sustained in times of financial constraint.

Cost accounting is the simple process of breaking down resources to the activity being carried out and then collating the monetary cost to show the cost of the activity. An example of this follows under the section relating to unit costs. In addition, special costing

exercises can provide a comparison of costs of current operations with the estimated costs of alternative methods. These can then be used along with benefits realization models to determine the best possible outcomes.

UNIT COSTS

Unit costs are used to measure output and can also be used as a performance measure. As it is not always easy to compare the rising curve of total costs, economists convert the total cost figures into unit costs. They do this by dividing the total cost of the activity by the number of units, for example, the number of incoming and outgoing pieces of correspondence that are processed by the records management office. This results in a figure for the average cost per unit of output. Unit costs can also be used in time terms. They may be used to measure performance by comparing inputs to outputs and therefore to determine value for money and financial sustainability of services.

Unit costs concepts may also be used to allocate a cost to an information product or service, to determine a minimum selling price or to compare costs between different information products or services. They can also be used to develop a standard cost for a job in either time or cost terms. The following example outlines how unit costing can be used to determine the price to be charged for four services: a helpdesk call out to a remote user desktop, a premium research e-service, a report, and a disc of historical data.

The first stage in the exercise is to calculate the total fixed and variable costs (operating expenses) of the information service of the year (see Table 4.1). In the case of the example these are \$7,210,300 per annum.

Table 4.1 Table of expenses for input into costing model

Operating expenses	
General and administrative expenses	
Accounting	20,000
Advertising	45,000
Bank charges	1,000
Borrowing fees	1,000
Consultants	930,000
Courier	8,000
Depreciation	40,000
Donations	5,000
Fines and penalties	1,000
Hire – plant and equipment	12,000
Freight paid	4,000
Insurance	26,000
Licenses and registration fees	30,000
Lease – equipment	90,000
Legal fees	70,000
Postage	4,500

(Continued)

Table 4.1 (Continued)

Operating expenses	
Repairs and maintenance	25,000
Stationery / office supplies	70,000
Subscriptions	190,000
Travel and accommodation	122,000
Motor vehicles	
MV – fuel	33,000
MV – repairs and maintenance	15,000
MV – registration	9,000
MV – parking	800
MV – taxi	3,000
Operating expenses	
Cleaning	25,000
Employment expenses	
Employment tax	30,000
Staff amenities	10,000
Staff training and development	60,000
Wages and salaries	4,500,000
Workers compensation insurance	100,000
Superannuation payable	450,000
Medical expenses	5,000
Uniforms	60,000
Occupancy costs	
Electricity	55,000
Gas	6,000
Property insurance	5,000
Rates	12,000
Rent	120,000
Water rates and consumption	12,000
Waste removal	5,000
TOTAL	7,210,300

Next the variable costs that are associated with the specific product or service are calculated on a unit basis. In the example given in Table 4.2 for the disc of historical data, these costs total \$33.00. Once the total fixed and variable costs (operating expenses) and the variable cost per unit are known, a percentage of the operating expenses has to be allocated to the unit as a fixed cost per unit. This is calculated by determining:

- the percentage contribution of the product or service to the overall business operations of the information service; and
- the likely number of units to be sold per annum for the product or service.

Table 4.2 Identifying variable costs and selling costs per unit

Identifying variable cost per unit					
Variable costs	Help desk call out	Research e-service	Report	Historical data disc	Annotation
Product raw materials	0.00	0.00	3.00	2.00	Unit cost of any raw materials e.g. disc
Product value add presentation post sale	0.00	5.00	5.00	1.00	Unit cost of packaging or presentation for sale
Product development pre sale	0.00	0.00	4.00	4.00	Unit cost of any research and development to assist in product development
Printing	0.00	5.00	5.00	5.00	Unit cost of printing
Mastering	0.00	0.00	0.00	1.00	Unit cost of production
Communications expenses	5.00	20.00	3.00	1.00	Average cost of telephone, Internet downloads and other communications charges associated with product or e-service
Casual wages	0.00	0.00	5.00	5.00	Average cost of casual wages per unit – assistance in supply, after sales service etc.
Marketing attached to volume	1.00	1.00	1.00	1.00	Cost of marketing product or e-service per unit
Commission	5.00	5.00	5.00	5.00	Commission costs per unit
Travel	75.00	0.00	0.00	0.00	Travel costs associated with delivery of product or e-service
Consultancy	0.00	0.00	10.00	0.00	Unit cost of special consultancy services or advice associated with product
ICT	1.00	1.00	1.00	1.00	Unit costs associated with provision of specialized ICT services
Distribution	0.00	0.00	5.00	5.00	Unit cost of distributing the product or e-service

(Continued)

Table 4.2 (Continued)

Identifying variable cost per unit					
Variable costs	Help desk call out	Research e-service	Report	Historical data disc	Annotation
Postage / courier	0.00	0.00	2.00	2.00	Unit cost for postage or courier services
Total variable cost per unit	87.00	37.00	49.00	33.00	Total variable cost per unit of the specialized e-service or product
Identifying selling price per unit					
% Fixed costs	10/100/15000	2/100/250	1/100/1000	1/100/3000	Percentage of overall budget expenses allocated to product or e-service/total/average number of units
Fixed costs % of \$7,210,300 operating expense	48.07	576.82	72.10	24.03	Unit cost based on percentage contribution to the overall budget expense as per above (see expense table showing total expenses of \$7,210,300)
Profit	4.81	57.68	7.21	2.40	Profit required per unit product or e-service (based on 10% of fixed costs per unit)
Fixed and profit	52.88	634.50	79.31	26.43	Total of percentage of fixed costs and profit
Total variable costs per unit	87.00	37.00	49.00	33.00	Total variable cost per unit of the specialized e-service or product
Total variable cost plus fixed and profit	139.88	671.50	128.31	59.43	Total cost per unit (variable cost + percentage of fixed cost + profit)
Minimum selling price rounded up or down	140.00	670.00	130.00	60.00	Minimum selling price rounded up or down to nearest \$10

In the case of the disc of historical data, it is deemed that it contributes 1 per cent of the overall business operations expense (\$7,210,300) and that 3,000 discs of historical data are likely to be sold in the calendar year. Therefore the proportion of the operating expense that can be attributed to each disc of historical data as a fixed cost is calculated as:

$$\frac{1\% \text{ of } \$7,210,300}{3,000} = \$24.03$$

As in the example, a profit margin of 10 per cent has been included, the total unit cost of a disc of historical data (the variable cost + fixed costs of the unit + 10% profit) is:

$$\$33.00 + \$24.03 + \$2.40 = \$59.43$$

Rounded up, the minimum selling price for a disc of historical data would be calculated as \$60.00.

Changing the contribution percentage of the business operating expense, or the number of services or products being sold will change the final unit cost figure. For example, if it is anticipated that the information service will only sell 1,000 discs of historical data, then the fixed cost associated with the annual operating expenses will be allocated across fewer units and will therefore increase (\$72.10) and so the final unit cost figure will be higher (\$33.00 + \$72.10 + \$7.21 = \$112.31). In decreasing the number of sales for the discs of historical data, the information service must make a minimum charge of \$112.40 to break even – an additional amount of \$52.40 to the cost where 3,000 discs of historical data are sold.

Generally fixed costs per unit decline as outputs rise, and rise as outputs fall. Figure 4.6 illustrates this for the production of 1,000, 2,000, 3,000 and 4,000 discs of historical data.

Where variable costs per unit are involved the situation is more complex. It depends upon marginal productivity and the productivity curve (law of variable proportions).

In the example above, the term minimum price is used as pricing does not always relate directly to cost. Pricing is associated with the amount someone is willing to pay for a product or service. Some products and services will attract a premium price, for example where services are fast tracked ahead of others, where added analysis or features are provided, where the product or e-service is new or has an element of innovation.

ACTIVITY-BASED COSTING

Activity-based costing costs the whole process, including those indirect costs involved in supply, process, installation and service delivery. It links all costs to the activity or output and

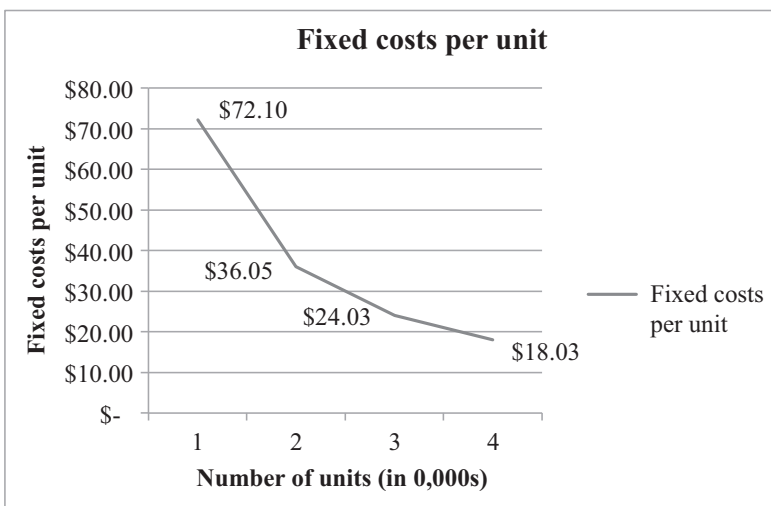


Figure 4.6 Profile of fixed costs per unit

gives a better picture of the total cost and performance of the service. For example, it also takes account of the costs associated with lost opportunities, namely:

- downtime of equipment, such as when the equipment is sitting idle out of hours or is inoperable whilst waiting for a spare part;
- the cost of goods sitting in a warehouse; or
- the cost of reworking a piece of programming.

Activity-based costing can be used in competitive markets to highlight those activities that are unexpectedly unproductive and those that are yielding the greatest return on investment.

Assessing Productivity

In times of economic constraint it is important to design activities so that they are sustainable in the long term and yield the highest levels of productivity, or make inefficient services more efficient as an alternative to disbanding them. As the ratio of inputs to outputs does not always correlate, productivity curves can be used to determine the point of maximum efficiency and the optimum levels of inputs to effect the greatest levels of sustainability and efficiency in information services.

USING THE LAW OF INCREASING RETURNS

Physical productivity changes when different amounts of one factor are combined with fixed amounts of others. For example, in an information service where most information is available online to the desktop as an e-service to 200 employees, there may only be a need for one librarian or information specialist. If the organization diversifies and expands, then another person may be required to meet the demand. The capacity increases again when a third person is hired and so on.

The appointment of the second librarian or information specialist will have value as the two can begin to specialize to meet the organizational diversification needs. Each will save time by having an in-depth subject knowledge in the e-services offered. As a consequence this division of labour may allow the information service to meet the diverse interests and improve services to 500 employees. Since the difference in output is 300 customers, the marginal productivity of the two librarians or information specialists equates to 300.

The marginal productivity of labour is not to be spoken of in terms of the second person as, by themselves, their efforts are no more productive than those of the first staff member. If the first staff member left, the second person could still only satisfy the e-service needs of 200 customers. What makes the difference is the jump in the combined production of the two librarians once specialization can be introduced. It is regarded as the changing marginal productivity of labour, not the individual.

Increased specialization takes place with the third, fourth, fifth librarian or information specialist so that the addition of another unit of labour as an input in each case brings about an output larger than was realized by the average of all the previous librarians. This does not necessarily mean that each successive person is more efficient and productive. It means that, as units of one factor (librarians or information specialists) are added, the total mix of these units plus the fixed amounts of the other factors form an increasingly efficient technical combination.

The range of factor inputs, over which average productivity rises, is called a range of increasing average returns.

Every time a factor is added, efficiency rises. The rate of increased efficiency will not be the same, for the initial large marginal leaps in productivity will give way to smaller ones. However, the overall trend whether measured by looking at total output or at average output per person will still be increased. This continues until a point of maximum technical efficiency is reached.

USING THE LAW OF DIMINISHING RETURNS

The law of diminishing returns is used to detect the point of maximum efficiency. Using the previous example, there is a certain point where the marginal output no longer rises when another person is added to the staff. This is the point of maximum technical efficiency. Total output will still be increasing, but the last person to be employed will have added less output than their colleagues. Labour is now beginning to ‘crowd’ equipment or the premises. Opportunities for further specialization have become non-existent.

This condition of falling marginal performance is called a condition of decreasing or diminishing returns. The information centre is getting back less and less not only from the ‘marginal’ librarian or information specialist but from the combined labour of all the staff members.

If labour goes on being added, a point will be reached at which the contribution of the ‘marginal’ librarian or information specialist will be so small that the average output per person will also fall. Eventually, if even more librarians or information specialists were added, the factor mix would be so disrupted that the total output would actually fall resulting in a condition of negative gains.

In the example of Figure 4.7, the marginal productivity begins to diminish with the fourth librarian or information specialist who can service only 330 customers rather than the 350 serviced by the third person. Average productivity continues to rise until the addition of the sixth person, because the fifth librarian or information specialist, although producing less than the fourth, is still more productive than the average output of all four colleagues. Therefore marginal productivity can be falling while average productivity is still rising.

In summary, as successive units of one factor are added to fixed amounts of others, the marginal output of the units of the variable factor will at first rise and then decline. This is called the law of variable proportions or the law of diminishing returns, or the physical productivity curve.

Number of librarians or information specialists	Total output (Customers receiving e-services)	Marginal productivity in number of customers receiving e-service (change in output)	Average productivity (total output – number of librarians or information specialists)
1	200	200	200
2	500	300	250
3	850	350	285
4	1180	330	295
5	1480	300	296
6	1730	250	288
7	1950	220	278

Figure 4.7 Law of diminishing returns

Table 4.3 Calculating the average variable cost per unit output

Number of librarians or information specialists	Total variable costs at \$80,000 per librarian or information specialist	Total output – number of customers serviced (units)	Average variable cost per unit or output of e-services (cost-output)
1	\$80,000	200	\$400.00
2	\$160,000	500	\$320.00
3	\$240,000	850	\$282.40
4	\$320,000	1,180	\$271.20
5	\$400,000	1,480	\$270.30
6	\$480,000	1,730	\$277.50
7	\$560,000	1,950	\$287.20

VARIABLE COSTS PER UNIT

Variable costs per unit can be used to cost increased efficiency in information services in order to make them more sustainable. As in the case of the previous example of librarians or information specialists, providing e-services to customers (units produced) will rise at first rapidly, then more slowly with the addition of more librarians. To convert the schedule of physical productivity into a unit cost figure, the total variable cost for each level of output should be calculated. This should then be divided by the number of units to obtain an average variable cost per unit of output.

In the example, the average variable cost per unit of the e-services declines at first and then rises. This is because the variable cost increases by a set amount (\$80,000 per librarian or information specialist). Output, however, obeys the law of diminishing returns. The variable cost per unit of output will therefore fall as long as output is growing faster than costs. It will begin to rise as soon as additions to output start to get smaller.

Obtaining a True Picture of Finances Through Accrual Accounting

To obtain a true picture of the cost of the information service, provision for the purchase and replacement of items that are sourced on an irregular basis, such as the expense of a new business system, need to be factored in over the life of the system as well as other expenses such as interest. In accrual accounting all expenses and income are recognized that relate to the budget period. This ‘total cost’ approach includes provision for depreciation on tangible and intangible assets, interest and loan repayments.

DEPRECIATING COSTS

Asset depreciation allows the cost of an asset to be written off over a period of time. Two common methods of determining the depreciation costs are:

- the prime cost or straight line method
- the diminishing value method.

The prime cost method allocates the cost of an asset over the number of years of useful life. For example, personal computers are generally written off over a period of three years. The

difference between the personal computer's original cost and the expected proceeds from the sale of the asset at the end of the three years is calculated, and then spread uniformly over each of the three years of its useful life. The diminishing value method allocates a higher proportion of the cost of the asset to the earlier years of its life. For example, a motor vehicle may be written off at a higher rate in the first year, and then at a lower rate in the following two years.

Examining Financing Options

Once a programme has been proven to deliver a combination of financial, economic and social benefits, the financing alternatives need to be considered. Financing capital assets in house, either via raising capital or using the organization's own source of capital, is not always the best option for the organization. For example, there may be a more attractive alternate use of the finance capital (opportunity cost) or the cost of borrowing may be very high. Other financing options can also allow the organization to share its risks and innovation with another party.

LEASING

Leasing offers a number of benefits including the transfer of risk to the financing party, a competitive pricing arrangement, taxation incentives and improved budget management. Leasing can also facilitate a significant investment such as new premises or equipment without the need for a major up-front capital outlay, or free up capital that may be used in the purchase of the property or equipment for other purposes.

Leasing is a viable alternative where there might be uncertainty about the timeframe over which the asset may be used, or where the asset is only required for a short period of time in relation to its economic life. An example may be the leasing of specialized or additional equipment to support a special project that has a limited timeframe. Quantity discounts might also apply to lessors above those available to the information service, which may make it an attractive proposition if the purchase price is significant.

Under the leasing arrangements the asset user (the lessee) has the right to possess and use the asset in return for lease payments to the financier (the lessor) who is the legal owner of the leased asset.

The most common lease arrangements are:

- operating leases – such as rental agreements for equipment. In this instance the lessor is responsible for all insurance, repairs, maintenance and taxes associated with the equipment (operating leases can generally be cancelled at little or no cost);
- financial leases – a non-cancellable lease in which the benefits and risks are transferred to the lessee; and
- sale and lease-back – where an asset owner sells the asset to another party for the market value and leases the asset back. The title to the property is relinquished and the lessee then makes lease payments. This type of arrangement is often used to provide cash flow to leverage further investment.

PUBLIC PRIVATE PARTNERSHIPS

Public private partnerships involve the procurement of public infrastructure and ancillary services through a joint arrangement of public and private sector organizations.

Verifying Finances Through Auditing

The audit is one means of safeguarding the integrity in financial reporting. This is a process by which the accounts and finances are independently verified. Usually these are carried out annually at the end of the financial year where the accounts and financial statements are analysed to ensure conformance and integrity. Specific projects may also be subject to an audit; this is often the case where grant funding is used. Finally, spot audits may be carried out as a risk management measure as part of the accountability and governance process.

Audit practices allow the independent review and judgement of internal compliance and control systems, performance and objectivity, significant decisions, records and reporting, risk management and finances. Independence in auditing is important; the parties should be impartial and unconnected with any activity being audited. They should also be provided with the necessary resources, power, access to management and information to meet their needs.

Hamilton (1998:227–229) provides examples where audits can identify problem areas where decisions need to be made:

- gaps in existing provision;
- duplication in existing provision;
- under-use of resources;
- incompatibility of IT systems;
- use of outdated, slow and cumbersome systems;
- ‘jams’ in information flow;
- need for extra staff;
- need for extra resources;
- training needs.

Conclusion

Financial planning and management is integral to strategic planning and performance management, ensuring that the true costs are known, and to placing the service on a sustainable financial footing. Financial practices available to the manager include:

- business case – provides justification for the approval of a new initiative which might include the introduction of a new technology, e-service, programme or activity;
- benefits evaluation – quantifies short- and long-term, tangible and intangible advantages and gains for services;
- budgeting – outlines how income and expenditure should be allocated to programmes and activities, measured and managed for a specific period;
- productivity assessment – identifies and measures differing levels of productivity and efficiencies in programmes or activities in order to determine performance, or where attention should be placed in making services more efficient as part of ensuring sustainability in service delivery;
- accrual accounting – accounts for all expenses and income relating to the programme or activity during the budget period;
- financing options – considers different ways of financing initiatives;
- reporting – enables consistency and transparency in reporting; and
- auditing – safeguards the integrity in financial reporting.

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Realizing the True Value of Knowledge and Information

Knowledge and information are important corporate assets that when managed strategically can sustain the organization to withstand financial and other crises and assist the development of innovation, creating competitive advantage and profitable business outcomes. They are often referred to as intangible assets, assets that are not physical or touchable. However, this is not to imply that they are insubstantial. In fact they are fundamental to intelligent organizations.

Knowledge and information concern content rather than the technology itself. Amongst others, they comprise the tacit knowledge in people's heads, data that can be modelled to forecast probable futures, information in publically available documents or shared through social networks, mashups and websites, commercial-in-confidence information and other corporate intelligence in hard copy and electronic forms, and other content that is held or transported in storage and communication devices. In the global knowledge economy and society, a large component of this content now resides electronically and can be accessed across companies, governments, national and sectoral boundaries. As Bertrot et al. (2004) identify: 'network-based services and resources offered by libraries today, including digital references, digital collections, online databases, e-journals, and e-books, enable libraries to operate in an anytime/anywhere mode, allowing patrons with Internet access to access content, services, and resources 365 days a year, 24 hours a day'.

The increased availability of information and knowledge, largely brought about through the proliferation of tablets and smart phones, Web 3.0 and 4.0 tools, and other information and communications technologies (ICT), has driven economic productivity, structural change and the emergence of more open societies. It presents both opportunities and dilemmas as information can now be more readily transferred, stored and manipulated faster and easier than before. In this environment, libraries and information services have the dual responsibilities of planning and managing their own corporate intelligence and knowledge and information, as well as facilitating access to and disseminating knowledge and information to assist people and organizations in predicting the future, facilitating decision making, and for life-long learning and personal development.

Knowledge and information management is increasingly critical for blending business processes and social networks to enhance individual and community capabilities, maximize productivity and drive competitive advantage. Knowledge and information are powerful enablers that enhance personal and community wealth creation and improved economic and social value. There is also widespread recognition that effective knowledge management is a precursor to innovation. Rowley (2011:176) quotes Dasgupta and Gupta (2009) who suggest that 'the ability for organizations to differentiate themselves, and thereby survive and

flourish, depends on how efficiently they integrate their innovative management practices with their knowledge management practices so as to harness knowledge for innovation'.

Managers in libraries and information centres can play a significant role as knowledge entrepreneurs; seeking opportunities to create and build intelligent organizations and communities in this environment. Their knowledge and skill sets in creating and using intellectual assets provide them with the capacity to continuously:

- create added value through innovative knowledge practices or products;
- manage and improve information design, knowledge and information sharing processes and networks;
- facilitate collaboration and the flow of knowledge within organizations and across organizational boundaries to support the innovation process;
- drive and properly apply the benefits of new technologies to enhance customer value and business capability; and
- promote organizational learning to support change and innovation.

This chapter predominantly focuses on planning and implementing strategies for managing corporate intelligence, knowledge and information to support knowledge enabling and learning organizations. With this in mind the management focus is on:

- maximizing the use of information and knowledge through identifying and creating new corporate and social knowledge;
- sharing and enabling corporate and individual knowledge and information; and
- reuse and collaborative techniques.

This is increasingly a complex task as more digital and virtual services are offered.

The essential objectives of knowledge and information management are to ensure that:

- knowledge and information are recognized and managed as valued and valuable strategic business or community assets that enable good decision making and advantageous outcomes;
- corporate intelligence and information are managed, maintained and available in an integrated manner regardless of their source and format to meet the core business strategy and objectives of the organization;
- the culture supports people sharing their knowledge with others and opportunities are provided for people to increase their learning; and
- succession planning allows for the passing on of critical knowledge before people move on.

Supporting these are operational processes that result in the information being consistent, relevant, accessible, concise and accurate.

Creating Knowledge-Enabled and Learning Organizations and Communities

INTELLIGENT ORGANIZATIONS

An intelligent organization is one that has a workforce empowered through the sharing of knowledge and information. Intelligent organizations recognize that strategic gain comes

from releasing the creative know-how, intellectual capacity, talents and experience of their people and in enabling knowledge and organizational learning through a diverse range of social and interactive tools. They have strategies in place to add to and build upon existing corporate intelligence, tacit knowledge and individual insight and aptitudes as a means to position the organization in the future. Knowledge, information and their supporting technologies make possible continuous innovation, productivity improvement and education and skills formation and therefore are fundamental in sustaining the organization. In particular younger employees are building self-organizing networks across traditional boundaries, with the result that their work is becoming more global and immediate.

Whilst Web 3.0, Web 4.0 and other information and communications technologies (ICT) dramatically increase the usefulness and accessibility of information as well as the overall stock of knowledge, intelligent organizations are not reliant on these alone. Intelligent organizations recognize that research and innovation are contributing factors in creating new ideas and turning these into dollars and new business advantages.

Making knowledge and information available also draws upon skills in information retrieval and navigation, in describing, linking and organizing multiple media formats, as well as the abilities to synthesize and validate the information provided through the global information networks. Individuals may learn such skills, or they may attain the services of information specialists to obtain the information for them.

In intelligent organizations that have reached advanced stages in knowledge enablement, knowledge management is considered a core competency and the corporate memory is complete and accessible. Information management practices, information systems and information design are synchronized and aligned to creating new business advantage and the future strategic direction of the organization. Web 3.0 and 4.0 technologies help staff interact and work together, increasing the receptivity and supply of knowledge throughout the organization and globally. Performance appraisals include an assessment of each individual's knowledge-sharing expertise and knowledge-creation abilities. Motivation and reward mechanisms are also in place to encourage and support knowledge sharing and organizational learning. Everyone is responsible for the acquisition, collaboration, sharing and management of knowledge and information.

INTELLIGENT COMMUNITIES

From a societal viewpoint, individual access to information, skills and knowledge is an important component of life-long learning, day-to-day living and democracy. The public collections of cultural and heritage materials can lead to a more enriched life and an understanding of the past, the present and the future. Community learning and information services also play an important role in increasing knowledge and skills, greater community cohesiveness and enhanced community development. The rise of social networking tools is further connecting people and enabling open debate on social and other issues.

The rapid evolution of the intensely connected global knowledge economy and society facilitated through Web 3.0 and Web 4.0, means that developing knowledge capabilities is a social imperative. Knowledge and information-enabled communities and societies are often better able to develop economic relationships through productivity improvements, trade and investment and in the exchange of information, knowledge and skills. As an example, developing content for information and entertainment on tablets and smart phones is itself a multi-million-dollar industry.

ENABLING CORPORATE KNOWLEDGE

Corporately, knowledge and information management is enabled through technology, leadership, culture, measurement and process. In the presence of these five enablers knowledge, information and business intelligence is used to:

- plan strategically and make sense of the external environment;
- facilitate consistent and rapid decision making;
- support and improve policy making;
- enable effective and efficient utilization of resources;
- identify and manage risk;
- encourage and capitalize on research and development;
- utilize resources better and identify waste or inappropriate use;
- monitor quality and performance;
- meet legislative and regulatory requirements;
- know what competitors are doing;
- understand the mix of products and services that customers need;
- protect the interests of the organization and the rights of employees and customers;
- provide evidence of business transactions and activities in the case of litigation; and
- evaluate and deliver increased productivity.

Parker et al. (2005) summarize other organizational benefits that can be attributed to well-planned knowledge management (KM):

- KM encourages the free flow of ideas, which fosters insight and innovation and creates new value through new products or services.
- KM improves customer service and efficiency by streamlining response time.
- KM enhances employee retention rates by recognizing the value of employees' knowledge and rewarding them for it.
- KM streamlines operations and reduces costs by eliminating redundant or unnecessary processes and promoting reuse.
- KM facilitates better, more informed decisions by reducing uncertainty.
- KM contributes to the intellectual capital of the organization.
- KM boosts revenues and enhances the current value of existing products by getting products and services to market faster.
- KM leads to greater productivity by increasing speed of response.

Information and knowledge management is not an inexpensive exercise so the issues and opportunities must be well understood and supported by executive management. In particular they need to understand how people's knowledge, intelligence and information can add business value and maintain competitive advantage, whether this is for better decision making, in building social capital and customer relationships, supporting research and development, or for more time-critical risk management. This is because they have an essential role in:

- assisting the organization anticipate its future knowledge and information requirements;
- ensuring that the process is given the required impetus, status and commitment within the organization; and
- guaranteeing that others contribute their time and resources to ensure its success.

Ongoing patronage and oversight of the information planning and management strategies may be delegated to the information services manager or another senior manager. However, it is imperative that executive management continues to be seen to be supportive and involved in the process. In often being the primary sponsor, the information service manager needs to be able to talk the talk of executive management in selling the importance of knowledge and information to the organization, helping them understand the issues and opportunities by using examples that they can relate to and using terminology and language that they can understand. It is also important for them to be given sufficient authority to override differences and resolve conflicting requirements that may arise from different parts of the organization.

Coupled with this, the trend to integrated service delivery as well as virtual service delivery can extend organizational-wide interactions to inter-organizational and global ones. This requires cross-functional collaboration in continuously monitoring and improving processes and determining information requirements.

As communication, knowledge enabling, learning and information sharing are very personal issues, individuals are the bastion of the knowledge and information space. People need to be given opportunities to increase their knowledge, learn more skills and share their ideas and intelligence. Basic information skills and ICT skill proficiencies have been embraced as an essential third set of skills alongside literacy and numeracy for everyone.

Knowledge management workers also need special skills to identify and share their knowledge sources as well as unlock the vault to ensure that knowledge and information are shared amongst others. This is no mean feat, and Skyrme (1998) has identified the knowledge and skills required of knowledge management workers:

- technical skills – information (resources) management, information technology skills;
- business knowledge – industry, markets, customers, competitors, and general business context;
- interpersonal skills – networking, listening, interpreting, challenging, teamwork, communication;
- management skills – motivating, coaching, facilitating, influencing;
- company/organization knowledge – knowledge of procedures and culture;
- personnel characteristics – integrity, confidence, openness, trust, supportive, honesty, willingness to learn.

As competitive tools, knowledge, business intelligence and information should be recognized and managed as corporate rather than individual or work unit goods or resources. The corporate good philosophy lessens duplication, empowers individuals and opens up the flow of knowledge, information and business intelligence rather than them being the privilege of any group or individual.

Using the corporate good philosophy, information and its supporting technologies should be designed and managed so that:

- relevant knowledge, information and business intelligence can be easily identified and retrieved by those who need them, when they need them, whilst preserving privacy and commercial confidentiality;
- quality information is available in real time throughout the organization in a seamless and consistent manner 24×365; and
- appropriate security measures are in place.

Using Knowledge and Information for Decision-Making Activities

Different levels of management in the organization and external stakeholders require and contribute discrete knowledge and information. This is because the knowledge and information required to make corporate decisions differ in the degree of detail and comprehensiveness at different levels in the organization.

EXECUTIVE MANAGEMENT

Executive management focus on issues related to positioning the organization within the external environment. Most of their knowledge and information comes from external sources such as information and business intelligence about new markets, competitors, business trends, new technologies, or new or impending changes to legislation that may affect the business strategy.

Whilst some management information relates to internal performance and strategic planning and is sourced internally, a large proportion of knowledge, information and business intelligence is obtained verbally from external sources, either in meetings, presentations or during conversations with peers. Executives often travel and due to constraints on their time, they are only interested in a highly summarized view, frequently presented on a single page delivered electronically to wherever they are. They often employ research or executive assistants to provide these summaries for them.

TEAM AND DIVISIONAL LEADERS

Team and divisional leaders need information from both external and internal sources. They require knowledge and information for decision making on organizational-wide resource

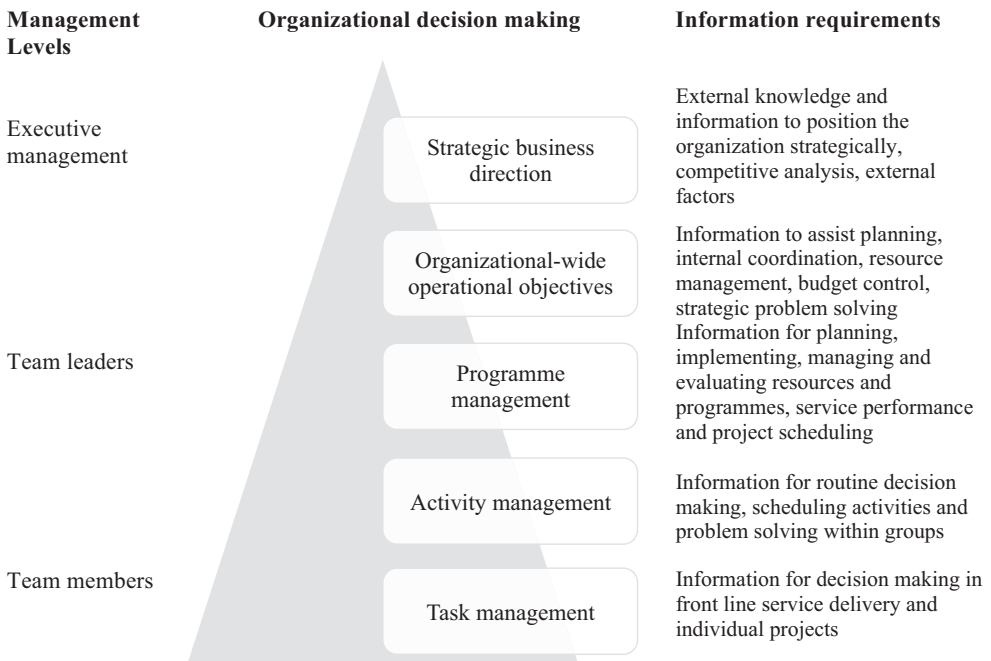


Figure 5.1 Information needs and decision-making activities in organizations

utilization and budget control, as well as the coordination of service delivery programmes and work unit outputs.

Team and divisional leaders are usually interested in evaluating the performance of the work units and assessing the progress of major projects. Data is gathered from in-house sources relating to the allocation of human, financial and technological resources, budgeting and performance measures. It is combined with other knowledge and information from external sources. This is used for evaluative and comparative purposes to measure performance, to solve problems and to prepare reports for executive management. This information may be used to influence strategic planning and policy-setting processes at the executive level. Team and divisional leaders also require knowledge and information for routine decisions relating to the scheduling of activities, accounting for the use of resources, as well as for problem solving.

Team and divisional leaders also have an important role in creating learning opportunities for their team members and in encouraging a culture of knowledge sharing across the organization. At this level of management, external information is significantly different in source and character from internal information or that received by executive management. It often comprises telephone conversations, hearsay and overheard snatches of conversations, the reliability and relevance of which should be determined before using it for important decisions.

SERVICE DELIVERY TEAMS

People working in service delivery require knowledge and information about the customers, the customers' history and their specific service requirements. They also need access to knowledge and information about the parent organization, the services and products that it offers, customer service policies and procedures. This is so that they can inform customers of the products or services offered by the organization, answer the customers' questions quickly and provide a better customer service.

Access to this information will differ in terms of presentation depending on circumstance, location and personal preference. Information may need to be tailored to a small screen mobile device such as a mobile phone or tablet, a larger screen device such as a laptop, a large screen desktop or a mix of both. Location wise information might be accessed in the field, the home or the office.

CUSTOMERS

The information needs of the parent organization's employees (the internal customers) should be distinguished from the information needs of the parent organization's clients. For example, the information services of a police service will need to support the police officers and civilian staff (the internal customers) in their operational roles in tracking and minimizing crime, maintaining security and presenting evidence relating to alleged offenders. The information needs of the clients of the police service itself (for example victims of crime, alleged offenders and other members of the community) will be very different. Their information needs will relate more to their rights and responsibilities or short messages advising of adverse conditions such as a bushfire or seeking the community's assistance in locating a missing child. The police service may also have other clients, such as insurance companies, universities or crime research bureaux, who may want to purchase or have access to statistical information relating to incidences, such as break-ins or robberies, in the form of information products.

Customers need information to help them make a decision about their choice of brand, e-service or product. They may already have knowledge and information about the

competitors' products and services and require information to allow for comparisons in making their choice. In a similar manner to employees, customers' personal circumstances, location and personal preference for a device type will also influence how information needs to be presented. Customers and other stakeholders will also have legal access to any personal information that is held by the organization under privacy or data protection and freedom of information legislation.

OTHER STAKEHOLDERS

Stakeholders such as suppliers have information requirements for ordering and logistical purposes. Most will utilize electronic systems for the ordering, supply and payment of goods and services. Finance and insurance companies also require information returns. There are also legislative and regulatory requirements for information to be lodged with government agencies. These include industrial relations agencies, corporate and securities commissions, revenue collection and taxation agencies. Increasingly, this information is provided or lodged electronically.

Planning for the Future

The information service has a responsibility for ensuring that all information, regardless of source or format, is subject to a managed life cycle. Information is planned with current and

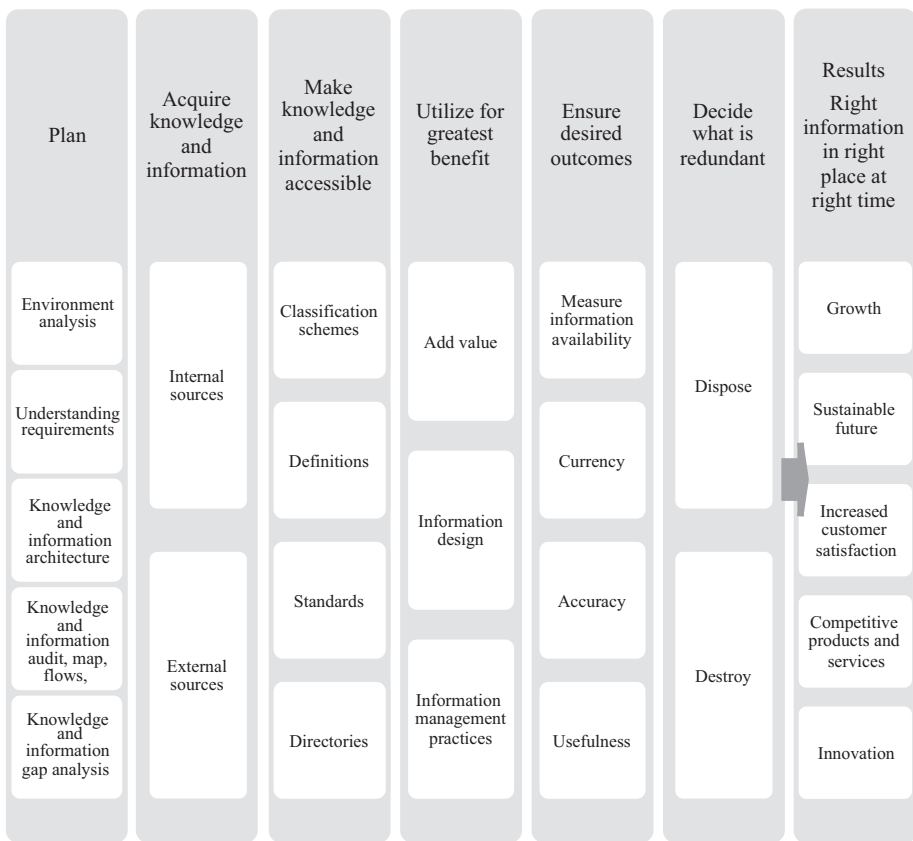


Figure 5.2 Integrated information management model

future information needs in mind, knowledge and information are acquired, steps are taken to ensure the accessibility and availability of existing knowledge and information and that these are utilized in a manner that reaps the greatest benefit. Finally steps need to be taken to ensure the relevancy and accuracy of the information, to decide what information is no longer required and how out of date, irrelevant information can be retired. These processes are supported by ICT applications which capture, store, organize, secure, process, track, retrieve, present, transmit or distribute information in a variety of formats and media.

Knowledge and information planning is used to:

- guide the acquisition and redundancy of information;
- support the knowledge and information flows;
- facilitate the integration and sharing of knowledge and information; and
- provide a proactive basis for the meeting of the organization's business and information needs as well as those of its clients and other stakeholders.

ENVIRONMENTAL ANALYSIS

The first step in ensuring that knowledge and information are on hand in the future is the environmental analysis. This identifies drivers in the external environment that will influence the type of information and knowledge that is required by the organization and how it will be used, as well as how the organization's business processes, corporate culture and future direction will define information and knowledge flows. The culture has a potent influence on how knowledge and information are used and valued within organizations. For example, the level and abundance of knowledge and information flows and the extent of knowledge and information sharing influences and is influenced by the effectiveness of team work, and the levels of trust and confidence between team members.

UNDERSTANDING ORGANIZATIONAL REQUIREMENTS FOR KNOWLEDGE AND INFORMATION: KNOWLEDGE AND INFORMATION ARCHITECTURE

The knowledge and information architecture is the vehicle for determining organizational knowledge and information needs. It shows how the business processes and activities and the knowledge and information that the activities require can be grouped and sequenced, allowing the information service to plan the knowledge and information and its supporting technology architecture around the business objectives of the parent organization.

The knowledge and information architecture defines the different components of the organization's knowledge resources, including a description of its value, its attributes, where it is located, who manages and has responsibility for it, and how to access it. The knowledge and information architecture and its supporting technology architecture, classification scheme, language control and index should be designed to be used across work units and be flexible enough to withstand organizational restructures and changes to business direction. For accountability purposes, it should also be capable of tracking ownership of business decisions and records over time.

The knowledge and information architecture also supports other information management activities in that it:

- models how knowledge and information are acquired, managed and stored within the organization or through virtual services (knowledge and information audit);
- graphically displays the relationships between sources, suppliers and users of the knowledge and information and analyses how knowledge and information are communicated

and used internally by the employees of the parent organization, its clients and other stakeholders (knowledge and information map); and

- brings these together with the needs of the organization, customers and other stakeholders to analyse shortfalls in the knowledge and information architecture (knowledge and information needs and gap analysis).

Knowledge and information audit

The knowledge and information audit provides information on all the current knowledge and information resources and how these are acquired, created and used. This includes the formal and informal records of the organization; information in databases and internal and external business systems; electronic document records management systems; office management systems; the printed and electronic holdings in the library, divisional and individual collections; Web services and social media tools; information that can be accessed through external databases; objects, multimedia and information in other formats; and, finally, knowledge critical to the business of the organization that is stored in the minds of individuals.

The knowledge and information audit also identifies how people or systems store, manage or add value to the information, as well as:

- the cost of the management overheads (including maintenance and storage);
- the knowledge and information's value and use within the organization;
- the appropriateness of the format and storage devices;
- the technical and other means of accessing the information;
- statements of policy or objectives for acquiring, using and discarding information; and
- the appropriateness of procedural manuals or instructions for processing or distributing information.

Knowledge and information map

The knowledge and information map identifies those who use the knowledge and information, mapping the users against those who manage, input, process and store it. The knowledge and information map is scalable. That is, it can be applied or developed:

- with details of just the major customer groups; or
- by identifying individuals as customers.

It can be used to map different levels of knowledge and information use with key personnel (the internal customers), clients and other external stakeholders. The level of detail should be chosen according to the organization's objectives and business needs. The knowledge and information map also traces the flow of knowledge and information between people and groups within the organization (the internal customers), and between the organization, its clients and other external stakeholders. The objective is to determine that the correct knowledge and information is flowing to the right areas and that those who need access to knowledge and information are able to receive it. The knowledge and information flow analysis may also highlight opportunities for improved knowledge and information performance. For example it can expose:

- systems that do not add value to the business strategy;
- business processes and activities that are not linked with others in electronic information chains necessitating the rekeying of information;

- activities that create information that is not useful;
- knowledge and information that could also be used elsewhere for better decision making or to support others' activities and processes within the organization;
- undocumented decision processes; or
- ill-defined or inconsistent business processes.

Knowledge and information gap analysis

This exercise identifies the weak points or shortfalls between the available knowledge and information and the critical knowledge and information that are required. It can also determine where information design and information processes can be improved. The critical knowledge and information needs of the internal customers, the organization's clients and other external stakeholders should also be matched against knowledge and information availability. The knowledge and information gap analysis should consider both current and future needs.

Business systems planning can be used for the knowledge and information gap analysis. This is a two-phase process, the first phase requiring the identification of the business processes, defining information classes, the analysis of systems and getting the executive's, employees', clients' and external stakeholders' perspectives. It should be focused on business processes and customer needs. The second phase involves setting priorities for the organization in terms of its future development and identifying the knowledge and information requirements that will arise from this.

Acquiring Knowledge and Information

There are many mechanisms through which knowledge and information are acquired. To ensure its accuracy and reliability, information needs to be captured as close as possible to its original source. The capture and use of some information types and formats of information may need specialized technology.

For accountability purposes, the information may need to be registered on receipt or creation. Examples of formal registration processes are:

- entering details of the item in an asset or acquisition register;
- scanning or saving a file or document upon its creation or receipt into an electronic document records management system; or
- logging the transaction in a system.

Copyright and sometimes moral rights may also need to be cleared for the use and reproduction of the information. The information service may have to identify the copyright owner and obtain their permission for a specific use of the information. In some cases, payment to the copyright holder may be required in return for the right to use the information or copyright work.

Acquiring virtual and digital services also changes the business model for the acquisition of materials that has consequences in cash flow, budgets and finances, for example:

- the move to pay for display and subscriptions rather than upfront costs of purchasing information;
- changes from generic static collections to distributed and digital collections that support specialization on a global basis;

- the transformation of a visible physical collection into a virtual wall-less invisible entity with continuously updated information;
- instead of restricted local access there can now be shared global access to expertise, subject coverage, collections, e-services, programmes and events; and
- changes to the copyright regime to a creative commons environment.

Making Knowledge and Information Accessible

To be totally effective, knowledge and information should be managed, maintained and secured as a shared corporate resource for the benefit of the entire organization or integrated service. To maintain its accuracy and currency, information should be collected once according to an agreed standard, and then reused to meet all information requirements. Consistency (enabled through classification schemes, standards and definitions) and connectivity (enabled through directories) are important; the underlying principle is that it can be cost-effectively shared and used by others for a variety of purposes.

Unless the information is confidential, the artificial boundaries that occur by reason of media or format, location or work unit ownership should be removed. All information should be managed and made accessible in a consistent way, with standard forms of identification and retrieval procedures. Security classifications may need to be assigned to different types of information or its content in order to ensure that only authorized persons have access.

Vital or valuable information that is to be retained within the organization not only needs to be secured, it also needs to be preserved. In the case of electronic information, this includes additional responsibility for managing different electronic versions of the same information, for example, by managing the version control of information contained in reports, and, by ensuring that all information is kept in a form that can be read by the software and hardware in current use. As new technology or versions of software are introduced, the storage devices and software versions must be upgraded so that the information can be used at a later date. This particularly applies to significant documents or reports that have been produced on word processing or desktop publishing systems and that require continuous use.

Corporate knowledge in people's heads may also be secured through contractual agreements that protect the passing on of competitive information during and after the time of employment of the individual.

The use of classification schemes, standards, definitions and directories assist in enabling the information to be consistently defined, maintained and accessible by those authorized to use it, whilst being protected from unauthorized use or misuse. Information can be accurately described in information directories and indexes so that its source, relationships and other attributes are known. Standards can be employed that encourage the sharing and integration of the information. Data dictionaries and data models can also be used to provide a clear picture of the information that is available.

KNOWLEDGE AND INFORMATION CLASSIFICATION

The classification of knowledge and information is an important activity in that it defines the parameters of access and use of the organization's knowledge and information. For example, knowledge and information may be classified according to their:

- strategic or commercial value to the organization – the extent to which the knowledge, information and business intelligence are of a commercial-in-confidence nature or critical to the organization's strategic business advantage;

- level of privacy – the extent to which they contain personal information about individuals;
- value in the information market – the extent to which the knowledge and information can be used to develop value-added information products for sale;
- level of security type and use – the extent to which they can be used in the various activities or levels within the organization or externally;
- subject area – the extent to which a descriptive title can be assigned using an existing records management index or library classification scheme; or
- format or source – the extent to which they are sourced externally or internally, and their format.

Where possible, knowledge and information classification schemes should be consistent across the organization, regardless of format.

INFORMATION STANDARDS

In order to ensure that the information can be reused, transferred or integrated with other knowledge and information, the capture and management of the information should be according to predetermined standards. The standards should be set by the organization. The choice of standard should be based on a business case and will depend upon:

- the extent to which the information is to be integrated with external information or used by external stakeholders; and
- efficiency and effectiveness.

The use of standards must be cost effective. Information should not be maintained at a higher level standard than is necessary. However, future needs and environments must also be considered when deciding on standards. Standards should be chosen to add value to the use and management of information rather than create an unnecessary level of workload or bureaucracy. Information should not be over processed for the sake of conforming to national or international standards if this is not warranted by the business case or customers' needs. The purpose of adopting information standards is to maintain the degree of consistency and connectivity that enables information to be shared. For example:

- information used externally by clients or external stakeholders will need to be captured, maintained and transferred according to a national or international standard;
- information used internally across the organization should be captured, maintained and transferred according to an agreed standard within the organization;
- specific information that is captured and maintained to support a single programme or activity should also conform to organizational standards.

INFORMATION DEFINITIONS

Information definitions provide information, or meta data, about the information itself. Their purpose is to increase the understanding about the information and its relevance to a particular use. They may provide information about the quality, rules of use, source, accuracy, currency, projection type or scale, format, coverage in terms of geographical area or timescale and so on. Information definitions may be created as part of a data dictionary in a database administration system.

KNOWLEDGE AND INFORMATION DIRECTORIES

Knowledge and information directories identify what knowledge and information exists and where it may be found. Library catalogues and other tools that identify sources of information are examples of information directories. As a location tool, they contain information about source, access and use constraints, purpose, availability, point of contact for further information, cross-references and other appropriate information found in the information definition. Skills inventories may also yield information about the specific skills, knowledge and expertise of people in the organization.

Data or information definitions make up a large proportion of an entry in an information directory. Initially, the knowledge and information directory can be produced through the knowledge and information audit and mapping processes as these identify what knowledge and information is available and its source. To be of long-term use the meta data must be continually updated.

To assist users, the knowledge and information directory should be designed so that it is searchable on a number of fields. It should be easy to use, convenient to access and available in an appropriate format.

Utilizing the Knowledge and Information for the Greatest Benefit

ADDING VALUE

The return on investment for the efforts already in place – through planning, understanding the requirements and structuring the corporate knowledge and information resources – is built on by utilizing these resources for their greatest benefit and to their fullest extent. This involves being proactive about doing more with the organization's knowledge and information resources, particularly at the touch points where value can be added. Added value activities may include the combining or overlaying of information in a system, considering different delivery media mechanisms and formats, creating mashups where a website or application combines content from more than one source into an integrated experience, or in presenting the information in a different way. All of this needs to be in the context of protecting copyright, privacy and confidentiality. Further information on channel management and customer needs can also be found in later chapters.

Increasingly, and indicating the way of the future, it is the customer who is adding value through social bookmarking services; posting links to Web pages that they find useful or interesting either for their private reference or to share with others. Blogs, discussion forums, wikis are some of the Web 2.0 tools being used for collaboration and the distributed creation of documents and information. Value is being further enhanced through Web 3.0 and Web 4.0 applications that add a spatial component to tailor information to the geographic location of the user and to provide transparency, governance, distribution, collaboration and participation in a truly global economy and society.

Ensuring That the Desired Outcomes are Achieved

The desired outcomes in managing knowledge and information are that:

- appropriate knowledge and information is available to meet the business needs of the organization and the information needs of clients and stakeholders;
- information flows and delivery mechanisms ensure that knowledge and information is made available when and where users need it;

- the knowledge and information needs are understood, with the result that information is available to users in a relevant and meaningful form;
- information is appropriately secured in terms of accessibility, integrity and confidentiality;
- information is consistently defined across the organization;
- information is accurate and complete, including there being a complete, reliable and accurate documentation of the organization's business activities and transactions (including accounting and finance);
- all legal, evidential and accountability requirements are met; and
- information is constantly reviewed to avoid redundancy and to evaluate its appropriateness to the organization's business needs.

Efficiency and effectiveness measures should be developed to measure the above and ensure that the planning and management processes are meeting the organization's objectives and the information needs of the internal customers, the organization's clients and stakeholders.

Inefficient information management practices should be avoided as they can be costly in terms of time, money and lost business opportunities. Inefficient practices include:

- collecting and storing information when it is no longer used;
- disseminating information too widely (information overload);
- not making information accessible to potential users; or
- duplicating information across the organization.

Deciding What Information is No Longer Required

In order to ensure relevancy, accuracy and integrity of information, decisions need to be made about what information should be considered redundant. Information becomes redundant when it is superfluous to requirements, outdated or inactive. Not all information reaches an outdated stage. A significant proportion of information that exists in live information systems is continually updated, although the information systems can become redundant if they no longer fit the purpose, objectives or business needs of the organization.

Information should not be kept beyond its useful life as this leads to unnecessary and inefficient use of storage space, equipment, staff and resources. However, not all information can be destroyed. In deciding if, how and when the information may be disposed of, consideration should be given to legislative and regulatory requirements that require certain corporate information to be kept for a minimum period of time. Some information may also be of archival value. Vital or valuable information may be identified and be made subject to corporate retention and disposal schedules. Succession planning will also assist in retaining corporate knowledge and information when people leave.

Information should be retained, removed or destroyed in accordance with authorized processes. If the information is to be removed off site or off line, such as to an archive facility, the security and ease of retrieval should be considered. Information should be deleted from hard and floppy disks before either the computer or disk is disposed of. Disks should also be physically destroyed to avoid information being retrieved. If printed information is to be destroyed, it should be burnt, pulped or shredded. It ought not to be disposed of through normal refuse disposal facilities.

Conclusion

Knowledge and information management is now gaining the prominence and awareness that it deserves. Organizations are recognizing the true corporate value of knowledge and

information as a resource critical to survival and success in the global knowledge economy and society. Similarly the increased availability of information and knowledge through the proliferation of Web 3.0 and 4.0 tools is creating new information- and content-based industries, driving economic productivity, structural change and the emergence of more open societies.

Managers in libraries and information centres have a significant role in creating and building intelligent organizations and communities in this environment and in planning and managing information and organizational knowledge in a manner that creates the greatest benefit and return on investment. This includes managing the information according to an information life cycle which comprises:

- planning for current and future information needs;
- understanding organizational requirements for knowledge and information;
- acquiring knowledge and information;
- making knowledge and information accessible;
- utilizing knowledge and information for the greatest benefit;
- ensuring that the desired outcomes are achieved; and
- deciding what information is no longer required.

The 24×365 global and virtual environment also presents new dilemmas and opportunities. As services become more integrated and global in nature, the business process boundaries will extend across organizations and national boundaries requiring different governance models for managing the information life cycle and assets in these circumstances.

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Strategic Technology and Asset Management

Strategic assets comprise tangible belongings such as plant, machinery and equipment, including information and communications technology (ICT) infrastructure, software and equipment, real estate and buildings, motor vehicles and cultural assets, as well as intangible assets such as branding, intellectual property and know-how, knowledge and information. This chapter concentrates on planning and implementing ICT strategies with consideration for the other tangible assets described above. As ICT is subject to rapid change the operational management of specific technologies has not been addressed. There are four components to ICT, these being business applications, infrastructure, equipment and the data or information that is stored or transmitted in these systems. Realizing the true value of data and information is covered in a separate chapter.

ICT business applications are the cornerstone of virtual and digital service delivery. In the corporate world ICT applications support and sustain business growth, facilitate globalization, lower costs and increase the quality and personalization of customer quality services. ICT applications in a consumer world enable the customer to receive their choice of information in a combination of formats, voice, image and data through multiple delivery and access channels. Web 3.0 and 4.0 tools, groupware, social networking, shared project management are examples of community and business applications providing substantial productivity gains and increased communication on an enterprise, national and international basis.

ICT infrastructure enables the transport of knowledge, data and information in many different formats and media to support strategic corporate intelligence capability and the sharing of knowledge, intelligence and information between internal and external systems – things such as cars or fridges and people. These activities may be global, enterprise-wide and or local in nature. ICT infrastructure includes mobile and wireless technologies, networks, e-commerce systems, artificial intelligence, intranets, extranets, the Internet, Web 2.0, Web 3.0 and Web 4.0 services, portals, back-end, office, client and supplier systems, objects and things and their subsequent replacement infrastructure.

ICT equipment includes desktop and portable devices such as smart phones and tablets, as well as servers and other program and storage devices and is the end device for the delivery of ICT applications. Supporting the ICT infrastructure and equipment are security features to ensure accessibility, confidentiality and integrity, and methods, protocols and standards that enable rather than enforce the business strategy.

Making the Most of Technology and Other Assets

ICT is a critical business asset, the application of which offers both considerable opportunities and immense challenges in further developing business capacity and capability as well as supporting global strategic alliances. The importance of its application is such that it is a

driving force in which senior and executive management need to take a leadership role and be actively engaged – leading by example in their use of web tools, mobile and desktop technologies, providing clear direction for the business outcomes required in applying technological solutions, ensuring that business practices are aligned to the technology, championing the business opportunities and advantages of using ICT, understanding market and customer needs and preferences and focusing on the sustainable achievement of goals.

This does not require a strong technical background; rather it is a leadership and strategic direction-setting role. It entails a business-focused understanding of the opportunities presented by ICT, and a readiness to accept ownership, responsibility and accountability for the technology-based assets and outcomes that can be delivered. Such outcomes include increased business value and transformation, improved customer satisfaction, global competitiveness and enterprise-wide connectivity in internal operations. Furthermore, it requires the understanding and development of business-focused metrics that should be used to articulate the value derived from using any new technology. These metrics must also be able to withstand comparisons between times when the market is buoyant and when economic conditions are difficult.

Information and its supporting communications technologies are both the driver and enabler of transformational change. They can create the need for change whilst assisting the organization through the change processes. The introduction of the web of things and ultra-intelligent agents enables and supports virtual teamwork, collaboration and interaction not just of people, but also of objects, across geographical or organizational boundaries. This enables new ways of communicating, whilst at the same time requiring changes to processes and responsibilities, as well as new corporate policies, protocols and standards and a different perspective on risk.

Social networks, mobile location-based technology and ultra-intelligent solutions are redefining service delivery, business, communications and entertainment. They provide instant communications, and location-tailored and client-customized e-services to a variety of hand-held devices, any time, any place. Internally, collaborative social networking solutions and 'shared spaces' are now mainstream. They offer new ways of thinking, engaging and working, providing users with the capability of interacting with others on a simultaneous basis. Global communications capabilities, collective information gathering and project collaboration are enabling 24x365 service delivery utilizing global alliances. Intelligent Web tools, electronic chat lines and mobile technologies support more flexible working conditions and e-service delivery options, overcoming distance and different time zones by allowing all employees immediate opportunities to service customer needs online. They provide the means for the organization to adopt warehousing models and work with minimal on-site staff, reducing floor space and overheads.

The choice in how and what technologies will be adopted by the organization is quite complex as there are many variables to consider. The complexity of the technology influences the skills and competences required by the information services' employees and customers. It may also enhance or inhibit the services' ability to adapt to change quickly. Different customer age groups have their preferred modes of working and service delivery. For example, Millennials in the workplace have spent their lives surrounded by and using smart phones, tablets and other digital devices where instant communications are an integral part of their lives. Fully-featured portable devices form part of the 'must have' list for 'digital native' employees who value access to technology tools as an essential component of the employment package. Robinson (2008:68) cites Prensky as arguing that the absorption of technology into the lives of this generation is so profound that it represents a discontinuity from previous generations, with changes in the way digital natives acquire information, think

and learn. They expect immediate responses to information inquiries and have a preference for image over text-based content.

To keep in tune with quantum leaps in technology advances, content will also need to be tailored to deliver new business applications and meet clearly defined, individual customer needs, no matter whether it is in the context of operating in a multinational organization, or in delivering public library services in a small community. Information will need to be customized in format and timing as it is packaged and delivered any time, any place.

A common point of failure in perceptions of ICT is that it is the panacea for all ills. ICT can only be an enabler of leading-edge customer service delivery, internal efficiencies and connectivity with global business partners where there has been commensurate change to processes, communications and work flows across the length of the value chain. In short, it has to be accompanied by a strategic change management programme including embedding corporate change and sometimes culture, revised business processes and often new mindsets.

Increasing the Value of Information and Communications Technology

With up to 50 per cent of organizational capital being spent on ICT, it can be either a smart investment or an expensive headache. By themselves ICT and other assets do not provide a competitive advantage; they have a value that is in accordance with what the last bidder is prepared to pay. Competitive advantage is realized through properly planned and designed ICT. One that enables knowledge and innovation to be central to the organization's capacities to model future scenarios, add value in sustaining core business processes and outcomes, discover new opportunities and act quickly on intelligence from internal and external systems.

Managed in a clever way, ICT can reduce inventory levels and make other resources more efficient, free up capital for use on other activities, provide real-time visibility and control, and improve internal operational efficiencies. Further value can be contributed when ICT is a source of accomplishment and innovation, offering differentiation and improvements in customer relationships and service, meeting individual client needs, reducing time to market and increasing the return on investment.

As with knowledge and information strategy and planning, information services have the dual responsibility of adding value to business policy and strategy, as well as planning and managing all corporate ICT on an enterprise-wide and sometimes global basis. As a leader of business strategy and fusion, the information services manager must chart the way forward for ICT applications, infrastructure and equipment in a manner that puts the organization's credibility and competitive position ahead of others. The information services manager also has the responsibility for clearly understanding and promoting ways in which ICT as a strategic business asset can add agility and business value to the whole enterprise. This includes using:

- business intelligence regarding markets and customer needs and preferences to drive technology design, strategy, products and services;
- technology to sustain the financial situation by lowering costs;
- technology as a focus for continually improving and refining business processes throughout the business value chain; and
- change management skills to prepare the organization for changes in mindsets, processes and practices in line with the new business opportunities.

As a corporate enabler the information services manager also has a role in developing people's capacities to better use the available technology, improving performance and decision making through enabling access to quality data, information and knowledge, assisting in the achievement of corporate and environmental responsibilities in acquiring, using and disposing of ICT equipment in an environmentally friendly way, and in protecting commercial, confidential and private information by ensuring appropriate security.

As well as having a focus on the business application of technology, the information services manager also needs strong people management skills for immediate operations and for future positioning. New technologies will bring the requirement for new skills and know-how in the manager's own staff and users. In having a holistic view of the organization, the information services manager is in the unique position of blending the skills, knowledge, processes, capabilities and relationships of people in the use and application of ICT across the whole organization. Such managers should also continually evaluate the capabilities of their own staff and of users as well as both groups' use of ICT, in terms of meeting the business requirements including business intelligence applications and process integration, as well as training requirements and supporting customer relationships.

Rapid developments in integrated service delivery, multiple Web applications and mobile technologies continue to make the role of the information services manager increasingly wider and complex. As the business boundaries extend and become more integrated different governance, management and finance models may be required.

All of this means that the information services manager will need to build alliances with ICT vendors and other stakeholder institutions to understand and take advantage of new developments in products and applications. Consequently the manager will spend increased time on building relationships with people outside of the organization in order to influence wider stakeholder relationships and organizational effectiveness in the organization's external environment.

Technology today is cheaper, more accessible and ubiquitous, but this should not lead to complacency. Besides the substantial financial investment, there is often a short pay-back period before the next business-led application is needed. There is an art to keeping the ICT investment finely balanced between seeking business opportunities at the leading edge of technology where the risk may be high, and maintaining cost-effective solutions without being technology led.

The choice of the ICT platform can commit the organization to a technology direction that will be built upon over a number of years. The information services manager and senior management must have sufficient confidence in the chosen strategy that it will not only bring competitive advantage through the delivery of information and services, but that it is flexible enough to cope with changes in the environment, mergers and acquisitions, with integrated e-services, and to sustain the competitive advantage in the long term.

The ICT industry accounts for 2 per cent of global carbon dioxide (CO₂) emissions, a figure equivalent to that of the aviation sector. Sensible and practical changes to the way in which ICT is used in organizations can help reduce this impact. This includes introducing energy efficient computing, recycling hardware and consumables, power management and reducing paper usage.

As with knowledge and information, ICT and other strategic assets are best managed according to a life cycle that includes planning for the future, understanding how technology is being used in the organization, acquiring technology, managing and utilizing the technology for the greatest benefit in service delivery and information provision, ensuring that the desired outcomes are achieved and disposing of the asset.

ICT Governance Framework

Many ICT operations are reliant upon partnerships with various parties. These may be third-party service providers, global partners and or joint venture alliances that support 24-hour service delivery or outsourcing ventures. These multi-partnership situations require more than a single strategic ICT plan. An ICT Governance Framework can be a solution that enables all stakeholders to manage their ICT interests for the mutual benefit of those in the alliance or partnership. It is a strategic document designed to be proactive and protect the organizations that are bringing intellectual property, technology and other tangible and intangible assets to the partnership for mutual benefit. It also:

- safeguards assets;
- protects brands; and
- guides investment and integrates ICT with the business objectives and business requirements of all parties.

The ICT Governance Framework is not intended to replace any contractual agreements, technical specifications, business or risk management plans. Rather, it defines the strategic intent of various aspects of the partnership, identifies roles and responsibilities, and provides a set of building blocks that:

- provide detail and design for the relationships between the business requirements and future direction, technical and data mechanisms and governance principles and practices, and how they fit together to support desired outcomes;
- contains a set of tools that ensure a solid foundation of management between the parties and guide future decision making; and
- provide a common understanding and vocabulary between the parties in the project.

The ICT Governance Framework is illustrated in Figure 6.1 and has three components:

- business framework
- technical and data framework
- governance framework.

BUSINESS FRAMEWORK

The business framework outlines the strategic business principles that guide decisions regarding ICT purchase and design. Components of the business framework can include:

- Strategic business principles – these outline the high-level objectives, business drivers and principles that should govern the use and application of ICT between the partners.
- Scope – this outlines the extent and boundaries of the project and ensures that both parties agree on purpose and scope.
- Service delivery requirements – these outline required key business processes and their priority. These are a high-level description in the form of a checklist or table, but comprehensive enough to ensure completeness in business requirements. This ensures that the scope and constraints, needs and requirements are clearly understood by all parties.

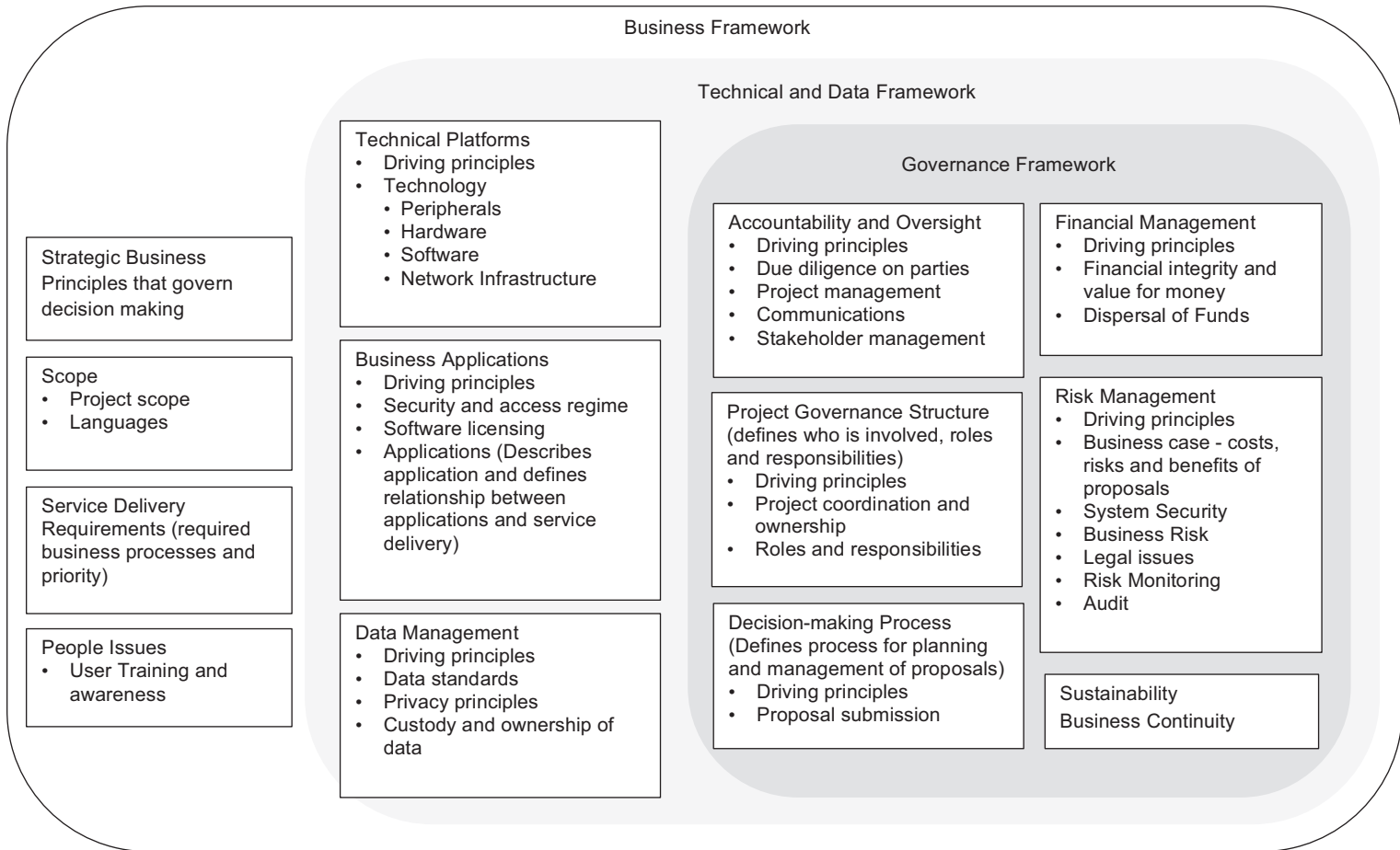


Figure 6.1 ICT governance framework

- People issues – often, in technology projects, the people issues are either underestimated or not considered at all. People are a critical component of project success, especially where there is a global federated network of members. This section ensures that people issues are considered.

TECHNICAL AND DATA FRAMEWORK

This framework is structured to ensure interoperability between different technologies, applications and data in use by all parties. This is achieved by outlining common standards, technologies and tools to be used to support the above business framework. It consists of the following components:

- Technology framework – this describes the hardware, software, peripheral devices and network infrastructure needed to support the deployment of the business service delivery applications by all parties. It can be further divided into:
 - Driving principles – these define the principles under which decisions are made for this section of the framework.
 - Technology platforms – to be used for equipment, hardware, peripherals, software and network infrastructure to ensure that these all talk to each other and there is consistency in use across the areas being developed by all parties.
- Business applications – these provide a blueprint for the individual applications, the interactions and technical dependencies between the application systems, and their relationships to the core business and service delivery requirements. They ensure consistency between the various applications that have or will be developed by the parties. They can be further divided into:
 - Driving principles – these define the principles under which decisions are made for this section of the framework.
 - Security and access regime – this enables agreement between all parties on the security architecture to ensure accessibility, confidentiality and integrity of information, that is, what business applications can be accessed by whom and the security controls needed.
 - Software asset management – this identifies, keeps track of and manages any specific software licenses in use under the partnership.
 - Applications – this part of the framework provides a high-level description of applications, status and or completion date. It enables a common understanding of roles and responsibilities for each of the technology applications and vocabulary in use between them. It can also define the relationship between applications and service delivery.
- Data management framework – this outlines how data will be safeguarded and used across all applications in use by both parties. It can be further divided into:
 - Driving principles – these define the principles under which decisions are made for data sovereignty, integrity and security.
 - Data standards – these define the source of data and format in which data should be collected and stored. This ensures a consistency in approach to data management between the parties.
 - Privacy principles – these identify principles for the protection of privacy of information amongst the parties.
 - Custody and ownership of data – defines who has custody and who owns data used in the project. The data custodian is the entity who manages and has responsibility

for the care and protection of the data. The data owner is often the source of the information. In most instances this is often the same entity. However, when information is shared or reused the data custodian can sometimes be different from the data owner.

GOVERNANCE FRAMEWORK

The governance framework protects the interests of all stakeholders and enables best practice, accountability and oversight between the various parties. It provides a solid foundation for the management of the partnership and desired outcomes. It also enables a common understanding of how the partnership agreement will be achieved. It can include the following components:

- **Accountability and oversight**
 - Driving principles – these define the principles under which decisions are made for this section of the framework.
 - Due diligence on parties – defines the due diligence to be carried out on any business partners to the initiative regarding their capabilities, governance, financial viability and sustainability. It might include business history, executive backgrounds (CVs and so on), financial accounts of the business since its incorporation (including detailed balance sheets and profit and loss accounts), list of clients and references regarding their use of applications.
 - Project management – outlines at a high level how practices and processes, roles and responsibilities will be managed by all parties for monitoring, oversight and disclosure, as well as processes for the management of problems and incidents, escalation procedures, dispute resolution and dissolution.
 - Communications – outlines how key stakeholders associated with all parties are consulted and informed of decisions, progress and so on. It identifies processes that ensure that proper consultation has been undertaken with stakeholders to make certain that the initiative meets their needs.
- **Project governance structure** – this ensures project decisions between the parties are structured, transparent, authorized and based on accurate reliable information. It identifies who, what and when decisions are made; what structural organizations will be created; who will take part in these, and the responsibilities they will assume. It can be further divided into:
 - Driving principles – these are the principles under which decisions are made for this section of the framework.
 - Project coordination and ownership – identifies the business owner or executive sponsor with responsibility for overall project coordination and management.
 - Roles and responsibilities – outlines the roles and responsibilities of various stakeholders. It is used to avoid duplication of effort, clarify functions and accountabilities and describe how various stakeholders and project components work together and support each other.
- **Decision-making processes** – these outline the principles and processes for how investment and other decisions are made, and how planning and management of proposals are brought about under the partnership. These can be further divided into:
 - Driving principles – these are the principles under which decisions are made for this section of the framework.

- Proposal submissions – outline the processes, roles and responsibilities, through which proposals for new applications are managed within the proposed partnership, including: project review, prioritization, approval and reporting of projects.
- Financial management processes – these provide processes to safeguard the integrity of financial management and ensure agreement on how funds will be sourced and used within the partnership. These can be further divided into:
 - Driving principles – these are the principles under which decisions are made to maximize revenue opportunities, deliver value for money and long-term financial sustainability.
 - Financial integrity and value for money – this includes processes for due diligence to ensure that the partnership delivers value for money. It includes whether alternative solutions have been considered; the proposed initiative is valid, has been well thought through, properly scoped, has long-term sustainability and can be thoroughly justified; the investment has value and importance for the core business and strategic direction of the organization; all long- and short-term costs, interdependencies, returns and benefits have been identified; and all parties to the initiative have the capability and capacity to deliver the benefits.
- Risk management processes – these outline processes that should be used to manage and mitigate risk exposures, including security, legal issues, disclosure and dispute resolution. These can be further divided into:
 - Driving principles – these are the principles under which decisions are made for this section of the framework.
 - Business case – costs, risks and benefits of proposals – a fully-fledged business case may be a separate requirement to this ICT Governance Framework.
 - System security – this section is linked to the security and access regime in the technical and data framework. However, it focuses on the non-technical aspects such as how critical business processes can be protected from adverse effects.
 - Legal issues – this section identifies and provides high-level statements on potential legal issues such as ownership of intellectual property and copyright (data ownership).
 - Risk management, monitoring and mitigation – this section is not intended to be a full risk management plan. It identifies critical risks for the proposed partnership, risk management / mitigation strategies, whether potential opportunities outweigh the risks, whether the risks are insurable, and whether everyone accepts the risks.
 - Audit – this identifies audit practices and processes, roles and responsibilities between the parties under the proposed partnership.

Planning for the Future

Effective planning and implementation of ICT requires that both users and information services managers have a clear vision of and objectives regarding when and what is to be achieved. Many projects fail because of unrealistic expectations or inadequately scoped requirements and specifications. Users should look for integrated service offerings that have a holistic approach to business needs, and also be objective in determining the need for additional training and business process reengineering to take full advantage of the technology implementation. There should be a clear and concise statement of requirements that is mutually agreed by all parties and strongly aligned to the business requirements and outcomes of the Strategic Plan.

The introduction of any new technology must serve a specific business purpose or be part of a strategic decision where it can add real business value. Therefore planning and management of strategic assets, including ICT should be undertaken with the view to:

- maximize the return on investment for the asset;
- utilize the asset as a business tool to create the advantageous edge;
- enhance competitiveness and improve customer relationships and e-service delivery;
- improve processes to continually deliver positive, tangible results and outcomes;
- provide choice for staff and customers in the manner in which they wish to access services;
- reduce the carbon footprint and support environmentally friendly ICT and workplace practices;
- provide a point of differentiation in the market place; and
- reduce future resource requirements by prolonging the asset's life or strengthening its disposal value.

To gain maximum benefit from the investment decisions, planning for strategic assets, including ICT, entails:

- understanding internal business processes and levels of process integration as well as their weak points;
- understanding the current and desired degree of technology integration and innovation;
- aligning and integrating the use of the assets with the business strategy and business processes to ensure a value focus and connectedness with the business enterprise;
- knowing the availability of financial resources as well as the skills and knowledge of users and implementers;
- understanding the assets' usable lives, performance, capacities and applications;
- employing the most cost-effective and environmentally sustainable use of the asset;
- considering future trends in the global industry and the readiness of client markets to embrace and incorporate technology change;
- determining whether existing asset and ICT management policies support new initiatives or need to be revised;
- determining sourcing strategies and relationships; and
- incorporating an element of innovation or surprise in the application to distinguish the organization from others.

Strategic asset and ICT planning also involves:

- identifying the extent of the long-term contribution of the asset to the organizational direction;
- identifying the business opportunities presented by new directions in the market place, and the threats that may come from any competitor's use of similar assets;
- prioritizing areas where ICT and other assets can add the most value to the success of the organization;
- identifying where the processes and business practices within the organization require reengineering to maximize the total benefit; and
- measuring and evaluating the potential value and contribution of the asset to organizational success.

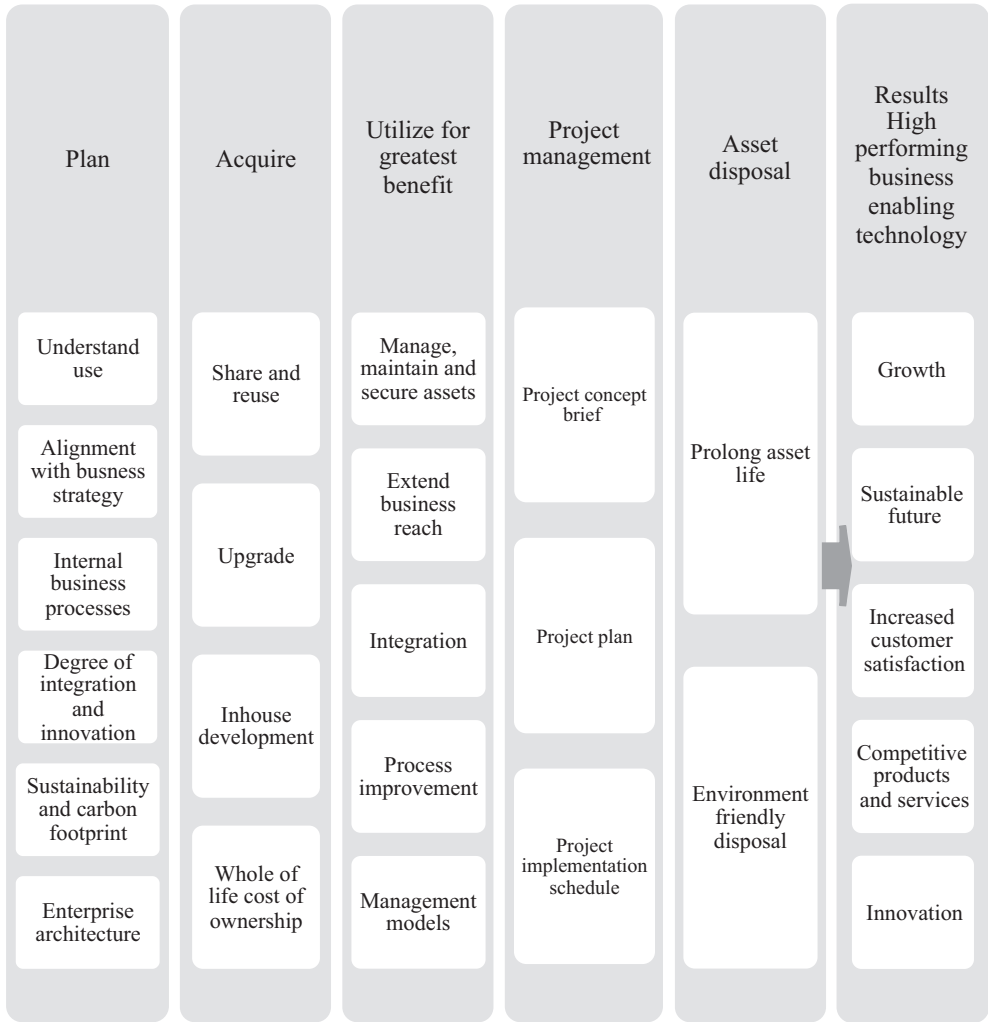


Figure 6.2 Integrated technology management model

Without these considerations, the exercise can be extremely costly with ill-fitting and overpriced solutions that will deliver little or no business advantage. The historical path of ICT is littered with examples where new technology has failed to reap benefits because existing and out-of-date processes have been automated with the result that inefficient or bad processes just run faster.

Understanding How Technology Is Being Used in the Organization

The next step is to analyse how ICT and other assets are used within the organization and by its clients and other external stakeholders. The enterprise architecture can be used as the vehicle to align ICT availability and use to the business of the organization.

ENTERPRISE ARCHITECTURE

The enterprise architecture underpins the business drivers of the organization and enables ICT to be used strategically to support the business of the organization. It is an alternative to the ICT Governance Framework where only one organization is involved in ICT delivery. It:

- integrates business strategy planning and ICT strategy;
- moves the organization from reactive planning to a proactive planning focus;
- takes an holistic approach to planning, managing and governance of all ICT across the whole organization;
- provides the governance framework and context for aligning and integrating ICT with the organization's mission, objectives and processes;
- defines the principles by which decisions are made and ICT managed;
- guides ICT investment, acquisition, development and maintenance; and
- maximizes efficiency through ensuring collaboration and the interoperability and portability of systems, applications and networks.

The enterprise architecture is designed to be flexible to reflect changing business needs and opportunities. It takes into consideration environmental trends, business strategy and the current architecture to determine the future architecture. It typically comprises:

- high-level objectives, high-level business requirements and principles that define and govern the use and application of ICT. High-level principles may include systems being designed to be business driven, protection of confidentiality and privacy in information, use of proven standards and technologies, and consideration for total cost of ownership;
- a restatement of the business drivers that govern the use of ICT;
- a business process taxonomy that describes key business processes and their objectives to assist in determining business proposals, funding and procurement, application development and improvement, evaluation and review;
- a framework for the ICT application, systems and network architectures;
- governance structures for the overall goals, directions, investments, use and outcomes of ICT within the organization;
- security architecture to ensure accessibility, confidentiality and integrity;
- standards, technologies and toolsets in use; and
- services available.

The enterprise architecture is an enabler not an enforcer of the organization's business strategies. Whilst it can be used as a driver for change in business and process reengineering, it should not overtake the business strategy. The enterprise architecture is strongly linked to the knowledge and information architecture. It is the business information needs, objectives and business strategy that determine its future direction, not the other way round.

Acquiring Technology

After satisfying the planning requirements, new ICT business applications can be acquired through:

- sharing and reusing an existing system (either internally or externally owned);
- upgrading to a newer version;

- in-house development;
- purchasing new hardware, devices and off-the-shelf or shrink-wrapped software products; or
- commissioning an external agent to create the ICT business application.

The manner in which the ICT application is acquired will require consideration as to whether it is to be managed in-house or outsourced to a third party. Outsourcing is often used to acquire services where there is a desire to reduce overhead costs, improve service levels, gain access to know-how, or to take advantage of new technology directions.

Whilst the provision of services can be outsourced, accountability for the service levels and strategic decisions relating to service provisions cannot. The fundamental responsibility and accountability for the outcomes and quality of the end product and service still reside with management.

DETERMINING THE TOTAL WHOLE-OF-LIFE COSTS OF OWNERSHIP

ICT acquisition should take into account a total cost of ownership approach. This means that all financial costs are considered, not just the cost of the hardware, software, peripherals, devices and associated infrastructure. This includes the full costs of implementation, integration, maintenance and support, data capture and conversion as well as the cost of disposal and recycling of assets. Intangible assets, data capture and conversion are often overlooked, yet they form a significant proportion of the full acquisition costs. Likewise the costs of business and process reengineering and retraining also need to be considered in order to provide a total cost of both the capital investment and implementation expenditure.

A total cost of ownership approach mitigates a situation whereby what might initially be considered a cheaper option may over the course of its life cycle cost considerably more than its alternative. For example, a printer may initially have an attractive purchase price, but prove to have higher toner cartridge consumption and costs, or maintenance overheads than its competitor over time.

Managing and Utilizing Technology for the Greatest Benefit

An important decision to be made for managing, maintaining and securing assets is whether to undertake this in-house or to move to a managed service in the form of outsourcing, cloud-based or shared computing environment. This decision is a governance issue and frequently focuses on:

- whether the organization wishes to concentrate solely on its core business
- organizational size
- availability of expertise
- variance in demand utilization
- overhead costs
- financial capacity to fund asset investment.

MANAGED SERVICES

A managed service is one that is outsourced or contracted out to a third party (the vendor or service provider or partner) to manage on the organization's behalf. It is a means through which the market can be tested under competition policy, or where the organization can

divest itself of underperforming corporate assets, increase its flexibility, offer difficult to deliver services, or concentrate its activities on its core business. It is also used to overcome continuing capital and operational budget restrictions and reduce overhead costs, to focus on customers and improve service levels, to gain access to changing expertise and know-how, improve security and manage the complexities of continuously developing technology directions.

In most instances it involves the transfer of ownership and responsibility for assets (including the people) from the organization (the client) to the vendor. In all instances accountability is paramount. Common areas where managed services are employed include security services, financial accounting, human resource recruitment and office support services, storage and retrieval of records and archives, transportation services, telecommunications network maintenance and facilities management, end-user desktop support, infrastructure development, systems maintenance, systems integration and systems development and design, training, and service delivery such as the delivery of value-added information products. In the case of ICT and transportation this obviates the need to invest in ICT and specialized vehicle assets.

In an outsourced or market-testing environment, the manager's role changes from managing a workforce to one of contract management, purchasing services and putting processes in place in which the organization and the outsource provider can work cooperatively and productively together in order to get the best out of the relationship. This involves a role in contract administration and performance review to ensure that the outsourced or contracted out service meets the specified service levels and customer needs. For whilst functions and activities can be outsourced, business responsibility for the functions and activities cannot. If the outsourcer is unable to perform, for whatever reasons, it is the organization that bears the consequences and the resulting regulatory, customer or brand damage.

Managing the move to managed services involves:

- Determining the right objectives and strategy – the objective rationale determines the nature of the strategy, contract and management mechanisms. For example, an organization that wishes to focus solely on its core business will require a different partnership arrangement than one that is focused on a shift in technology, extending service availability or the sharing of risks.
- Determining what needs to be moved to a managed service – this is influenced by the key business objectives for outsourcing and the risks associated with outsourcing or other type of managed service.
- Assessing the benefits – these may be derived from increased sustainability, competitive advantage or other value-added factors. Financial benefits include the ability to spread the costs over a number of years, share risks or share costs in developing capabilities on a commercial basis. Other considerations include skills and knowledge transfer; flexibility in the technology development and acquisition to support continued innovation; the migration to new ICT platforms and infrastructure at significant lesser cost than outright purchase; the divestment of legacy systems and other underperforming assets; lessening of overheads associated with storage; and access to new markets and services.
- Determining the risks – these include loss of expertise and corporate knowledge, key competencies and skills of staff. Importantly a lack of contract negotiation and continued contract management skills within the organization can lead to incorrectly and under-specified service delivery outcomes that in turn result in business functions not being performed, poor vendor selection, inadequate or unclear contracts leading to costly litigation, integration problems or problems in getting different contractors and/or

vendors to work together or find technically sound interoperable solutions. Costs may only be deferred rather than reduced, and the business may be adversely affected if there is a lack of flexibility and responsiveness to the needs of the information service, continually changing service provider staff such that there is little or no understanding of the business by those delivering the service, or there are delays in project execution or completion.

- Selecting the vendor – this should be based upon the vendor’s credibility and capability to provide the services being outsourced, its financial strength and viability to remain in business for the life of the partnership (and longer), proven technical and service capability and performance in similar information related environments, the variety of platforms offered to support the requirements of the information service and its clients, the level of control in terms of future direction, security and risk management issues, tender conformance, whole-of-life costs of the proposal, congruency with the vendor’s vision, strategic business direction and client relationship perspective, the vendor’s adaptability, understanding and ability to contribute to the organization’s business in a timely manner, and the vendor’s compatibility with the organization’s corporate culture.
- Structuring the relationship – this should result in a partnership of goodwill, understanding and good communication with a high level of trust between the partners and a cultural fit between the organization and the service provider.
- Having a sound governance framework – this should outline communication and escalation mechanisms, defined contact points, the business objectives and requirements, each parties’ expectations, roles and obligations in the partnership agreement, the organization’s business and corporate culture, the distribution of risk between the parties, the ownership of the assets, the required outcomes and outputs, and the terms and conditions of the agreement itself.
- Negotiating the contract – the contract should meet the organization’s business needs and objectives rather than the vendor’s. It should specify the areas to be outsourced, the service levels required and the penalties, the level of service and contribution required of the organization and its management staff, all costs, including those for maintenance and support, billing and asset management issues, intellectual property rights and copyright, including ownership of systems and developments, data and indemnities against the intellectual property rights of third parties, integration procedures for systems that may now be managed across multiple parties, for example telecommunications, office and email systems and business systems, risk management, including data redundancy, procedures and responsibilities, distribution of risk between the parties, security, confidentiality and backup, privacy protection, date and value of the transfer of assets, disposal of surplus assets, outstanding liabilities on assets, conditions relating to staff development, transfer of staff and transfer conditions, outstanding liabilities in terms of accrued leave payments, superannuation or other contractual obligations, use of contractors, availability and costs of additional staff, backup arrangements for key or critical staff, minimum proficiencies, poaching of staff, disputes and damages settlements, termination clauses, back out and change requirements for both parties, performance measures, review and monitoring, indemnities and liabilities, contract variation procedures, waivers, publicity and governing law.
- Managing the transition – this includes ongoing monitoring of performance levels, ensuring change management strategies are in place and managing the transition period at the end of the contract.
- Being an exceptional client – obligations include acting professionally and with respect for each other, understanding the other’s business drivers as a legitimate interest, ensuring that reporting and other obligations are met in a timely manner, using agreed processes,

procedures and engagement models, particularly in handling differences, knowing and accepting responsibilities and delivering on them, agreeing that when things are not working as they should, that both parties will strive to fix them, and systematically reviewing progress.

CLOUD COMPUTING

Cloud computing is both a technical term and a business model. It is an alternative management model and involves deploying groups of remote servers and software networks that allow centralized data storage and online access to computer services or resources. By using the cloud infrastructure, cloud users do not need to invest in costly and complex hardware and software applications. Customers no longer own hardware and software; rather they share these with others paying only for what they consume. The advantage is that customers have a low or no initial cost to acquire hardware and applications as these resources are essentially rented. The resource requirements of clients are bundled together by the service provider so that peak loads and troughs are ironed out because demand utilization is shared with others in the 'cloud'. A further advantage for the customer is that it avoids the need to invest in hardware and applications requirements to cope with highest peak loads or unexpected demand surges that may occur infrequently.

In a similar manner to managed services, a large component of the manager's role is in contract management and putting processes in place to get the best out of the relationship. The decisions to move to and manage services in a shared or cloud computing environment should be based on those already outlined for managed services above.

Managing Projects on Time and on Budget

As project initiatives become more costly and complex in their scope, scale, locations and interdependencies, often involving more than one organization, it is important that there is a project plan to ensure that the project stays tightly focused on the desired outcomes and under control. This includes bringing the project in on time, on budget and in an integrated manner so that it meets the set objectives and diverse expectations of customers and stakeholders involved in the project.

A project plan provides the framework under which the project will be managed, resource requirements identified and sourced, other considerations such as risks and communications managed, and the project aligned to the organization's business strategy. A lot of information for the project plan can be sourced and updated from the initiative's original business plan. Where possible, large projects extending over long periods of time should be broken down into more manageable sub-projects.

Projects inevitably mean change. This may be organizational change, changed policies, practices, procedures and or processes, changes to jobs and the manner in which activities are progressed, legislative changes or changed relationships with customers, suppliers and other stakeholders. Therefore it is important that change management and communication plans are put in place. Increasingly in the global and virtual world information-based initiatives will be multi-national. International projects add additional levels of complexity and require the consideration of culture and style, language barriers, legal and regulatory conditions, currency markets, taxation regimes, time zones and distance.

Project plans are often divided into three distinct parts:

- project concept brief, which defines the project, its scope, key deliverables, business case and governance and organizational structure;

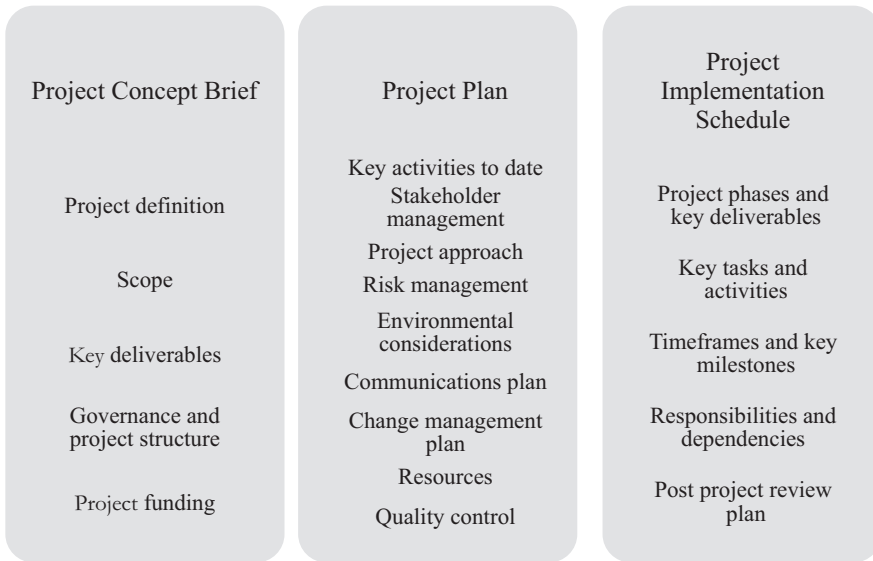


Figure 6.3 Project management model

- project plan, which provides details of project activities to date, stakeholder management, project approach, risk management strategies, legal considerations, communications, resources, quality controls, reporting, change management, monitoring and evaluation requirements; and
- project implementation schedule, which outlines key tasks and activities for the execution of the project.

Figure 6.3. illustrates a model framework for project management.

Text Box 6.1 provides the details of the sample contents of a project plan that can be used in developing a project management plan.

TEXT BOX 6.1 SAMPLE CONTENTS OF A PROJECT PLAN

Project Plan

1. Project Concept Brief

- 1.1 Project definition
 - 1.1.1 Project description including time, cost, quality
 - 1.1.2 Project objectives
 - 1.1.3 Terms of reference
 - 1.1.4 Background and rationale
 - 1.1.5 Assumptions
- 1.2 Scope
 - 1.2.1 Definition of terms
 - 1.2.2 Brief scope and exclusions
 - 1.2.3 Constraints
- 1.3 Key deliverables
 - 1.3.1 Preliminary business case
 - 1.3.2 Cost benefit analysis
 - 1.3.3 Alignment with corporate direction

- 1.4 Governance and project structure
 - 1.4.1 Roles and responsibilities
 - 1.4.2 Project sponsor, membership of project board, leader, manager and team
 - 1.4.3 Project structure
 - 1.4.4 Key accountabilities
- 1.5 Project funding
 - 1.5.1 Refined budget in terms of total cost of project
 - 1.5.2 Funding source

2. Project Plan

- 2.1 Project activities to date
 - 2.1.1 Consultation
- 2.2 Stakeholder management
 - 2.2.1 Stakeholder risks
 - 2.2.2 Stakeholder management strategy
 - 2.2.3 Stakeholder expectations
- 2.3 Project approach
 - 2.3.1 High-level project plan
 - 2.3.2 Key milestones
 - 2.3.3 Project tolerances
 - 2.3.4 Impact on stakeholders
- 2.4 Risk management
 - 2.4.1 Risks
 - 2.4.2 Risk management and mitigation strategies
- 2.5 Environmental considerations
 - 2.5.1 Legal and regulatory
 - 2.5.2 Political
 - 2.5.3 Competition
- 2.6 Communications plan
- 2.7 Change management plan
- 2.8 Resources
 - 2.8.1 Human resources including skill requirements and availability
 - 2.8.2 Financial resources
 - 2.8.3 Technology resources
 - 2.8.4 Procurement requirements
- 2.9 Quality control
- 2.10 Reporting, monitoring and evaluation

3. Project Implementation Schedule

- 3.1 Project phases and key deliverables
- 3.2 Key tasks and activities
- 3.3 Timeframes and key milestones
- 3.4 Responsibilities and dependencies
- 3.5 Post project review plan

Complex projects involve a number of activities, some of which have dependencies on others. Project software based on the concept of a Gantt chart is often used to understand and manage the relationships, timeframes and status of the activities (see Figure 6.4).

Inevitably there will be occasions when something goes wrong and decisions will be needed as to whether to change the focus, timescale or outcomes of the project or to stop or kill the project. Changing the focus of the project can mean minor changes to the timescale, substantial change to scope, timeframe and outcomes, major upheavals within the resources and project itself or mothballing the project. The decision to terminate a project is a complex one as large projects are difficult to stop without political and interdependency ramifications. Once the decision has been made it is important for the well-being of staff and interdependent projects that the project is terminated quickly. Where a project is stopped in order to cut losses and redirect energies and resources elsewhere it is important to analyse the mistakes and look for what can be learnt for the future.

Ensuring That the Desired Outcomes are Achieved

The desired outcomes in managing ICT and other assets are that:

- they are deployed in the most cost-effective and advantageous way to maximize the return on investment;
- customer requirements and expectations are met at all times;
- ICT services operate without loss of utilization and functionality for 99 per cent of the time;
- workplace practices and asset selection and management processes reduce the carbon footprint;
- the health and safety of users are guaranteed;
- security, confidentiality and legal obligations are met;
- ICT services add measurable value to the business processes at every stage; and
- ICT services are aligned with and support the corporate culture.

Efficiency and effectiveness measures should be developed to assess and evaluate these outcomes.

Disposing of the Asset

Assets are disposed of when they become obsolete, under-perform or have specific elements that under-perform. Obsolescence can occur where:

- a change in business strategy requires the use of new types of assets or new technology applications;
- significant changes in clients' or suppliers' technology architectures occur to the extent that inter-organizational systems are no longer compatible; and
- the maintenance of the technology is no longer supported in the market place.

The effective management of an asset during its life cycle should result in the asset's life being prolonged and its disposal value being at the optimal level. This might involve refurbishing and reusing old computers and properly recycling unwanted computers and other electronic equipment so that old equipment does not unnecessarily add to landfill. In disposing of assets, especially those where there may be residual toxic matter, it is important to ensure that they are disposed of in an environmentally friendly manner.

Conclusion

Making the most of technology and other strategic assets involves strategic decision making in which senior and executive management must take a leadership role. The information services manager also has a responsible and responsive leadership role in enhancing business agility, capability and capacity for the future through astute technology planning and management, promoting and helping others understand how technology can best be used as a strategic business asset now and in the future, selecting and acquiring the right technology for competitive advantage, managing and utilizing the technology for the greatest benefit in service delivery and information provision, ensuring that the desired outcomes are achieved and that assets are disposed of in a financially and environmentally sustainable manner.

Developing the right planning and business processes for the management and utilization of ICT and other assets is critical to the organization's use of knowledge and information, service delivery, productivity, customer retention and return on investment. The correct choice of strategy aligned to the business drivers will deliver considerable return on this investment. An incorrect choice of strategy or no strategy will make the business risks and impact even more expensive.

Accompanying this is the need for a strategic change management programme that includes embedding corporate and culture change, revising business processes, creating new mindsets, and making commensurate changes to processes, communications and work flows across the length of the value chain.

To maintain competitive advantage in a global and virtual world, the ICT infrastructure must enable and support virtual teamwork and collaboration irrespective of geographical or organizational boundaries, using both fixed and mobile devices and social networking, Web 3.0, 4.0 and beyond tools. Other planning considerations include:

- future trends in the global industry and the readiness of client markets to embrace and incorporate technology change;
- whether, in aligning and integrating technology with the business strategy and business processes, planning for integrated 24×365 services needs to include others beyond the organization;
- knowing the availability of financial resources as well as the skills and knowledge of users and implementers;
- understanding the assets' usable lives, performance, capacities and applications;
- employing the most cost-effective and environmentally sustainable use of the asset;
- determining sourcing strategies, management models and relationships;
- incorporating an element of innovation or surprise in the application to distinguish the organization from others; and
- knowing the total cost of ownership including the initial capital investment, the ongoing operational and development costs, costs of implementation and reengineering, and costs associated with the retirement and disposal of the assets.

Finally, integrated projects inevitably bring increases in costs and greater complexity in scope, scale, locations and interdependencies. It is important that there is a project plan to ensure that the project stays tightly focused on the desired outcomes and that it is delivered on time, on budget and in an integrated manner.

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PART III

LEADERSHIP AND INNOVATION

The theme for Part III is how to use leadership and innovation as change agents to future-proof information services so that they can embrace an organizational philosophy and culture in keeping with the demands of the digital and virtual world. It focuses on all aspects of leadership, change management, and interpersonal and people management roles needed to drive innovation and change and reposition information services in the global and digital economy and society. Strong leadership, interpersonal and change management skills are also needed to:

- sustain the impetus of organizations in changing times as well as manage the impact of sudden and strategic changes that emanate from the volatile external environment;
- provide the required amount of flexibility, innovation and transformational change for the organization to prosper and survive, particularly in the move to digital or virtual services; and
- understand and lead across different cultures and sub-cultures during the process of integrating services.

In addition to the other leadership roles – of creating a values-driven culture, managing group dynamics and building teams, effectively negotiating conflict, managing the political arena, ensuring effective policy making, communications and networking – managing and sustaining the well-being of individuals who work in the information service is another further important function of the leader and change agent. Managing and sustaining the well-being of people is also important from a duty-of-care perspective as well as being strongly connected to motivation and productivity factors. This also includes managing one's personal well-being. For in a busy and competitive environment it is sometimes tempting to focus on the demands of the job and overlook personal life needs and those of others.

Chapter 7 addresses the issue of leadership. It describes the roles, responsibilities and attributes of leaders who have passion, drive and vigour that are needed to drive the organization and revolutionize its services. Chapter 7 also discusses the need to motivate people, manage workplace diversity and meet multi-generational needs, considering in detail the leadership implications of attitudes that occur from differentiation and diversity in the workplace which can arise out of generational work styles and professional specialization. Finally, the chapter provides some advice on succession planning for leadership as well as tangible mechanisms for measuring the effectiveness of a leader.

Values-driven corporate cultures are intricate to enabling the success of organizations. They can be considered the glue that holds the organization together. Chapter 8 considers how leadership can influence the values, beliefs, norms and behaviours that create an

organization's culture. It explains how corporate cultures develop and evolve and how there can be more than one culture within an organization. This chapter also describes the activities that take place within organizations as corporate rituals. It provides advice on developing and maintaining a corporate culture within the information service, reconciling cultures when integrating e-services or planning inter-organizational services and addresses the question of ethics and values in information services.

Chapter 9 considers innovation and creativity. The chapter provides leadership strategies to create an innovative environment. It identifies the different roles and functions within organizations that foster a creative environment through which sustainability and a continuous business advantage over others can be achieved.

Chapter 10 introduces the concept of change and how it can be initiated and managed in a positive manner through good leadership. Information services managers are currently leading major change in moving to 24×365 global and virtual services, implementing self-service delivery mechanisms and integrating cultural services. In addition to this a rapidly changing complex external environment means that information services have to adjust rapidly and radically to sustain their position in the digitally connected and intelligent world.

Change can be planned, arising from organizational life cycles and other proactive forces, or it can be sudden and discontinuous. The strategies for creating and managing change differ according to whether the change is continuous or discontinuous. This chapter includes strategies for creating and engaging change from within as well as strategies for managing strategic shocks. It considers resistance to change at both the organizational and individual levels. The chapter also introduces the concepts of business and process re-engineering that are being used by organizations to rethink their mechanisms of operating in complex and competitive environments.

Chapter 11 provides an understanding of how high-quality leadership can influence group and team dynamics at the organizational and individual levels. Individuals frequently work across teams and organizations so a manager's understanding of group or team behaviour is as important as understanding individual behaviour. This is because people act differently when they are in a group. In order to achieve outcomes, managers have to recognize and manage different group roles and stages of group development.

Both informal and formal groups can be found in organizations. The presence and leadership of informal groups will often provide an insight into the power, politics and authority within the information service and its parent organization. As groups develop they assume certain characteristics that are associated with group norms, member roles and group cohesiveness. As members of groups, individuals play different roles. These roles can change the way in which people behave in certain situations; they can also create a situation of personal conflict. Chapter 11 explains this and why conflict occurs at the personal level, between members of the group during the development stage and between groups.

A further aspect of group development is team building. The major difference between a group and a team is that groups generally have one leader. In a team, all the members are leaders. Chapter 11 explains why team building involves all the leadership and facilitation skills that are required to accomplish individual performance.

In changing, integrating and subsequently transforming environments conflict is inevitable and is a healthy sign of organizational growth and competition. It can also be destructive and inhibit things being done within the information service. Chapter 12 looks at sources of conflict at both the organizational and individual levels and how negotiation can be used to resolve conflicting issues effectively.

A significant focus for leaders is to make sense of the political arena in which they and the information service operates. Chapter 13 covers the nature of politics and political

behaviour from both an individual and an organizational perspective. Not all organizations are equally political, and likewise differ in individuals and their political gamesmanship. Politics is a natural phenomenon arising out of differentiation, competition and the use of power and influence. The chapter describes a number of political tactics that are commonly used in organizations, and it characterizes these as ethical and unethical. Advice is given on the presentation of political arguments on paper and the use of lobby groups.

Policy making is addressed in Chapter 14. This chapter provides strategies for developing policy and identifies the type of issues for which policies are appropriate. It emphasizes the need to identify and consult with stakeholders whilst developing the policy. The chapter discusses the policy framework and provides examples of general and specific policy issues that can be found in information services.

Chapter 15 considers the human side of communication that is used to lead, support, manage and sustain people in uncertain and changing times. It identifies the interpersonal communication skills required of information service managers and their staff, particularly in simplifying messages and communicating the abstract concepts and ideas that information services managers need to do in influencing senior executives and championing the information service. It also describes the issues associated with interpersonal communication that may affect the communication process. These issues include self-image, attitude to others, listening, stereotyping and the halo effect. Barriers to personal communication are also explored in this chapter.

As part of interpersonal communication, networks allow managers to function successfully. They can be used to seek and provide information, to sustain and support others and to influence outcomes. Chapter 15 explains the value of networks for getting things done, how a network acts as a group, and provides advice on how to establish networks.

Chapter 16 considers three important aspects in planning and sustaining yourself in challenging times: career planning, work-life balance and stress management. These aspects can easily be overlooked in busy and demanding times. People's personal satisfaction with themselves, their lifestyle and their work, and their sense of self-worth and purpose in their career and life goals can be supported and sustained through the activities of career planning and personal development. The chapter looks at the relevant responsibilities for the organization, the information services manager and the individual in career planning. It considers a holistic approach to lifestyle planning using a mind map exercise. The aspect of managing oneself and personal image is also covered.

Chapter 16 also explores why some individuals are vulnerable to stress at certain stages in life. It identifies factors in the workplace that can be stressors and different personality types that cause some people to handle certain types of pressure better than others. Finally, the chapter considers personal and workplace strategies for the management of stress.

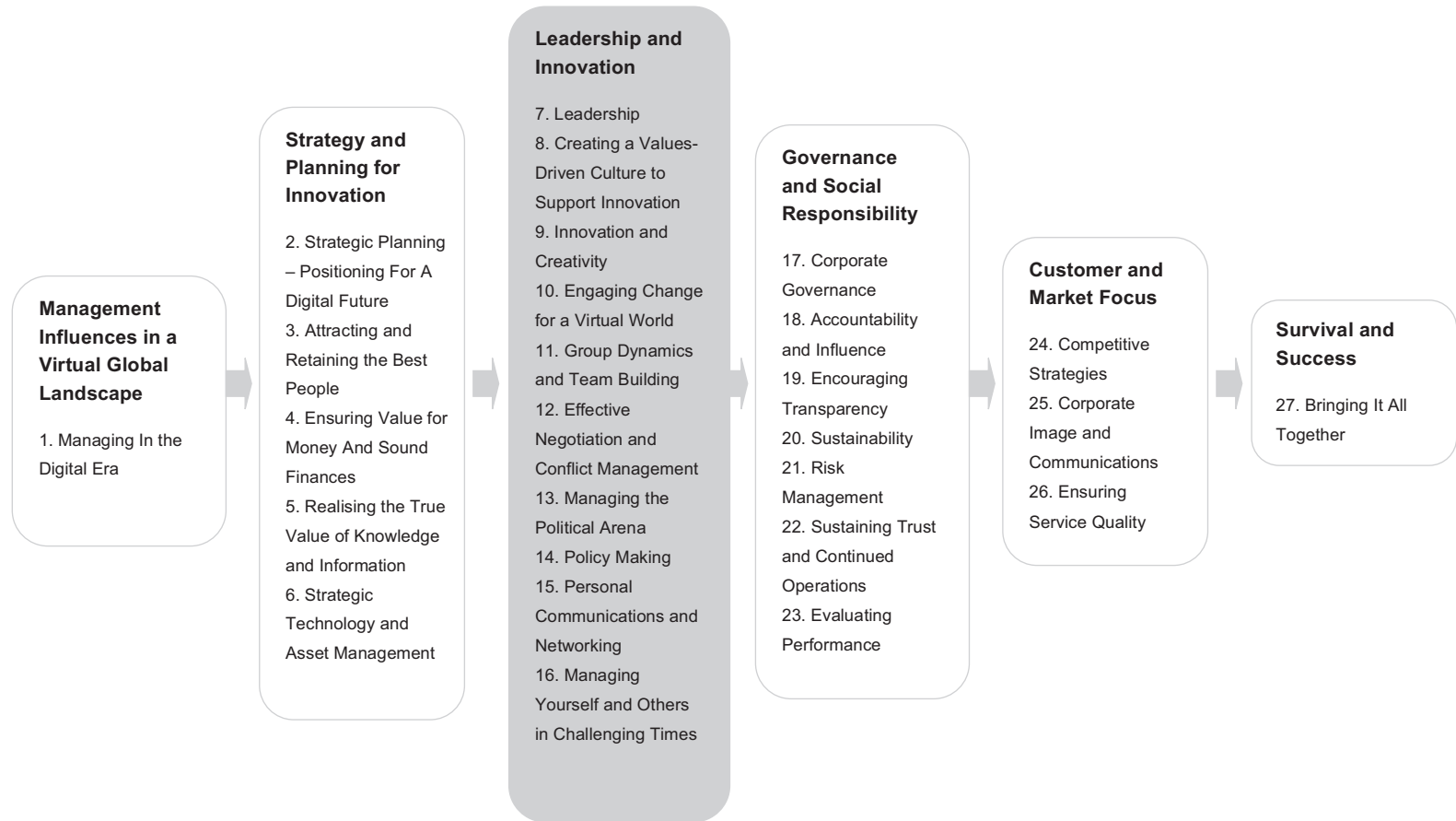


Figure PIII.1 Leadership and innovation

Leadership

Leadership was once considered to be an influencing role that used motivation techniques to persuade others to undertake certain tasks to achieve an outcome. Today the expectation of a leader is much larger and more complex. Professional service, staying close to clients, cultivating talent and crisp strategic focus on the critical few priorities are strengths identified by Reid (2010:1) in speaking to leaders in eight Canadian and American organizations.

The digitally connected and intelligent world requires a far-sighted approach that creates a sense of passion, energy and excitement about the information service and its future role in a virtual world, shifts in thinking about how services might be delivered and a readiness to make quick and effective decisions in a time of crisis. Increasingly the leader is required to guide and motivate highly skilled and multi-talented people who are employed in quite different roles and circumstances to generate a creative, flexible, inclusive workplace. Frequently work and service delivery will take place across distances in time and space, often through electronic communication. Developing future leaders as well as building rapport with and managing the group dynamics of people who have varied backgrounds, cultures, values and sources of professional expertise requires good communication, people management and negotiation skills.

Leadership and corporate culture are very much entwined in their influence on the dynamism and sustainability of the organization. Successful leaders in today's complex, global environment are proactive, visionary, entrepreneurial and risk-taking individuals who can build rapport and encourage others to think differently about the role, culture and purpose of information services in the virtual world. Examples might include:

- dealing with people in other institutions who are delivering e-services on behalf of the organization out of hours;
- managing diversity when bringing together and reconciling the functions, cultures and professional expertise in public libraries, art galleries, museums and archives to provide a richer one-stop cultural experience for the customer and reduce overhead costs;
- ensuring the correct cultural fit when implementing more customer self-service programmes; and
- adopting new ways of collaboration and communication using Web 3.0 and Web 4.0 tools to enhance the organization's competitive advantage and sharing of knowledge and information.

Leadership Roles and Responsibilities

Effective leaders have a wider perspective on issues, seeing the whole and making connections. They are comfortable working across different domains and meeting multi-generational

views and needs in both the workplace and when designing customer services. They have strong talent for advocacy and are skilled in promoting the brand of the information services, both of which are necessary to sustain the position of the information service in challenging and changing times.

There is space for more than one type of leader within an organization. Each bring their own world view and strengths. The thought leader's principal role is as a creator of the future and seer of the new world. These types of leaders visualize their preferred future for the organization in the virtual world and then make it happen. Using their skills as pioneers, they inspire others to share their vision and encourage them to join in to create this future. They instil a sense of excitement and passion about future challenges, opportunities and possibilities.

The achieving leader is entrepreneurial and risk taking. These types of leaders are intuitive and concerned with ensuring that the organization is well positioned for the future. They sponsor and empower people, transferring their knowledge as they interact. Achieving leaders are results- and outcomes-oriented, ensuring that the organization keeps inventing new business advantages by which it can remain ahead of its competitors. In creating an achieving atmosphere in which others are encouraged to exceed their expectations of themselves, achieving leaders demonstrate passion and a willingness to make a personal investment in people and their talents. They recognize that they do not have a monopoly on all the ideas, that people together with their mindsets and skills are the most precious commodity, and need to be inspired and motivated. They foster an open culture and open communication, where there is respect for differing opinions, generational needs and cultural backgrounds.

Change leaders' major strengths are in building commitment and overcoming resistance. They anticipate, plan and lead change. To take full advantage of the virtual and digital environment and keep the organization ahead of its competitors they create and make sense of change. Uncertain times can lead to highly distracted or stressed people who don't and can't innovate and change. Change leaders help people to make sense of and to see the imperative for change. They initiate coping strategies that enable people to let go of the old ideas and practices, instil new ways and thinking, and help people innovate and take risks, all without threatening their personal circumstance.

Pivotal leaders provide integrity. They are open and honest, mentoring and empowering others. They set high expectations of themselves, especially in the area of ethical behaviours, and are well respected for their ability to recognize and share their own strengths and weaknesses. During hard times and catastrophic occurrences, they are often the ones that have to share bad news and show courage. They ready the organization to deal with these occurrences and are not afraid to make hard decisions. As the moral guardians of corporate ethics, integrity and professional conduct, the role of pivotal leaders is to set and lead by example in their behaviours and in communicating these core values. Synonymous with this, trust is also important. These leaders create a high-trust and highly cooperative environment where there is consistency in messages and a confidence in people acting with integrity.

Political leaders are politically savvy. They understand political processes and needs, recognize power sources and know how key decision makers think. Political leaders build rapport, collaboration and personal connections with people in the organization, with those around them and with key stakeholders. They also understand the political/ financial process, building close relationships with Treasury and framing financial arguments in terms of what is being accomplished for the financial leaders of the organization.

Motivating Individuals

Understanding the nature of human motivation and using this knowledge to motivate people to excel beyond their expectations is a critical leadership role in sustaining and transforming organizations in challenging times. Diversity in the workplace means that not everyone is motivated by the same thing. Differences will occur because of generational age groups, cultural background and expertise and personal circumstances. The key is to understand what motivates each individual and to be flexible enough to satisfy these diverse needs.

Today's diverse workforce no longer fits the traditional stereotype of managing a workplace. The concept that 'work is a thing we do, rather than a place we go to' is relevant here. The availability of technology has moved the point of service to being a remote device such as a wireless-enabled portable device rather than within a fixed service point, so people may not always need to travel to a single place of work to do their job. In this scenario, access to portable devices and flexible work arrangements can allow the organization to meet differences in individual needs and circumstances. Technology change and flexible working hours also offer conveniences that allow individuals to pursue differing lifestyles whilst increasing their commitment and contribution to the organization. This requires a different leadership style incorporating flexibility, trust, communication and collaboration. The reward factor is that individuals can choose the benefits and work arrangements that best suit their personal needs, whilst the leadership factor is ensuring that remote management isn't 'hands off' management.

Similarly the moves to integrating cultural services and virtual work environments also offer leadership challenges in motivating individuals. The lower-order needs such as physiological and safety needs, relatedness needs such as interpersonal relationships and the intrinsic needs for personal development are still relevant to some degree. However, differing time horizons, workplace practices and personal and professional values need to be recognized as these will colour employee perspectives.

Letting people know that they are valued and helping to increase confidence in their personal capacities to excel in challenging and changing circumstances are two ways of motivating people. Individuals who are given personal and professional development opportunities and are allowed to take risks will often have a higher self-esteem and estimation of their abilities than those who have not had their personal comfort zones stretched or been allowed to experiment with their ideas.

Being open with employees and stakeholders is part of motivating individuals. It reassures people and builds credibility and confidence in the quality of leadership. Honesty and openness builds respect and trust which in turn builds morale and helps employees to remain focused on the desired outcomes. Honesty and openness includes:

- creating an understanding and dependable relationship between consumers and the information service and the requirement to tell the truth at all times;
- senior management communicating with employees in an honest and open manner about the organization and its place in the changing world;
- readily explaining the background to issues, reasons for hard decisions and actions taken; and
- developing a corporate culture that values openness, knowledge and information sharing.

Understanding Differences in the Workplace

Service integration brings together differentiations in backgrounds, qualifications and expertise. In addition, most information services already experience differentiations of task

and perspective arising from the subject specialization, media and the technology involved. An important consideration in leading workplaces of this nature is the ability to recognize the individual needs and values of each specialist function in order to guide and motivate them. Differences can occur through the nature of work, professional outlook, how success is judged, career development needs and rewards systems.

THE NATURE AND LOCATION OF WORK

Information services staff work in teams such as archivists, librarians, telecommunications providers or Web-based specialists who often develop a strong identity and special expertise with the work unit. This is the result of differentiation in tasks and, often, the physical separation of each component of the service. For example, computing centres, libraries and records management functions are often housed in purpose-built accommodation and may be separate from each other and from the rest of the organization. A similar situation occurs when providing flexible work from home opportunities or for people working in a mobile business environment. A key leadership role is to identify 'inclusion' strategies and lessen the perception of information service staff being 'different' portrayed by administrators who have different values again.

PROFESSIONAL OUTLOOK

By their nature, most people working in information services are cosmopolitan people. Their strong sense of expertise and specialization in their areas results in the view that they are specialists working for an organization and that their career development lies within their area of expertise.

The various specialists that are found in information services often use particular terminologies linked to their specialist areas, display symbols such as their diplomas and degrees, and often hold the norms and values of their professional association. The use of certain terms or phrases can be threatening to others if they are uncertain of their meaning and can also lead to a misunderstanding of the situation. In these instances leaders can assist by clarifying areas of misunderstanding and explaining the bases for the differences whilst acknowledging the reasons behind them.

PERFORMANCE

The standard of training for specialists in information services and their subsequent expertise and competence is often set by the various professional associations. Their professional peers will also judge their ongoing performance by the number and quality of papers at conferences, publishing on the Internet or in professional journals, which may not be valued to the same degree by the employing organization. As employees, information service personnel must also conform to internal organizational standards and usually their annual performance appraisal will be based on the achievement of the organizational objectives and standards rather than their professional ones. Leaders can assist in managing these role conflict situations by using performance measures that both balance and recognize the internal and external contribution of the individual.

CAREER DEVELOPMENT AND REWARDS

The difference in outlook between the various specialists in information services has implications for their career development, training and reward systems. Specialists may not

always want managerial positions, preferring a career path that enables them to continue working in their area of expertise but which offers flexibility and provides recognition and rewards for their achievements. This might include opportunities for further learning or a professional secondment to another organization, rather than the money or status that is associated with promotion.

Leading and Leveraging Different Generations in the Workplace

Up to four generations of people can be found working together at any one time, each having distinct values, priorities, views on leadership and demands for technology in addition to expectations and attitudes in life and the workplace. Although there are minor differences in interpretations of the dates, the generations comprise the:

- Silent Generation – born between the First World War and the Second World War
- Baby Boomers – born between 1945 and 1965
- Generation X – born between 1965 and 1980
- Generation Y – born in the 1980s and 1990s
- Millennials – born in the late 1990s and 2000s.

A key role for the values-based leader is to recognize and manage the differences and preferences of the various generations in the work place and create an environment in which these differences can co-exist. Importantly for the information service, each generation has a different attitude to technology. As Simons (2010:32) observes:

All three generations embrace technology to increase workplace efficiency. However, employers must be aware that Gen Y digital natives may grow impatient with the applications that are the lifeblood of many corporations: applications they might consider “tired”. Finding ways for these systems to provide the value these workers anticipate and expect within their terms – unified, electronic and mobile – will enable and encourage them to participate more fully in the organization.

A summary of the work attitudes, values and preferences can be found in Figure 7.1.

The following outlines how leaders can best leverage the strengths and expertise of the different generations in the workplace for the benefit of the individuals and the information service.

SILENT GENERATION

Most of the members of this generation have retired from the workforce. This generation experienced the austerity years of the depression and war that disrupted family life and career paths. Predominantly the workforce consisted of males and there was life-long allegiance to the organization. Recognizing their experience and contribution to the organization is important to this generational group.

BABY BOOMERS

About to retire, Baby Boomers grew up in a post-war era of expansion and prosperity. They have a strong sense of generational identity and are characterized as being materialistic and interested in physical objects such as home ownership and consumer goods. The Baby

Silent Generation (Born WWI and WWII)	Baby Boomers (Born 1945-1965)	Gen X (Born 1965-1980)	Gen Y (Born 1980s and 1990s)	Millennials (Born late 1990s to 2010s)
Traditionalists, high respect for position power	Idealistic Consumer driven Process oriented	Realistic Independent and resourceful	Self-reliant and independent	Strong sense of community, local and global
Uncomfortable with change	Values company commitment and loyalty	Value life long learning	Entrepreneurial thinking Desire for freedom and flexibility	May not stay long with any employer
Strong loyalty and 'job for life' expectation	Seeks long term employment but not 'job for life'	Free agent approach to careers	Comfortable with change and diversity	Most have at least one degree
Historically focussed	Will sacrifice to achieve success Achievement comes after 'paying dues'	High expectations of work/life balance	Place high value on education and skill development	Digital natives
Experience guides decision making	Ambitious at work, in personal life and status oriented Learnt to use technology in the workplace	Accepting of change and comfortable with diversity	Desirous of collaboration Believe social responsibility is a business imperative	Technology advanced
Disciplined and modest approach to life	Moves between hard copy and digital in work	'Want it now' culture	Relish responsibility and want to play meaningful roles	Prefer use of mobile and Web3.0, Web 4.0 and beyond
Slow adopters of technology		Technology literate Early adopters of mobile, internet and technology in workplace	Rely on short, unfiltered communications Multi tasking	

Figure 7.1 Generational differences in the workplace (adapted from Levy et al., 2005)

Boomer workforce witnessed an era when an unprecedented number of women entered the paid workforce; there was movement towards equality in wages and opportunity, and increasingly flexible and varied gender roles for women.

They are the first generation where access to a tertiary education was inexpensive and widespread. In the workplace they have witnessed major transformations, including the transition from a pre-technology world to a digital era, although not all have successfully made this transition.

GENERATION X

Unlike their stereotype definition portrayed in the media, Generation Xers are not lazy and have had to overcome an era of downsizing in organizations where mid-level management

career opportunities vanished. Offsetting this, the spread of the Internet created new industries and new technology-related job opportunities.

Generation Xers are less concerned with the trappings of success and more environmentally, economically and socially conscious than previous generations. They care about the quality of their future and that of the earth and the environment. In caring about their future, exercise and having a healthy body and mind is important, therefore they look for balance in lifestyle and leisure time. Financial and emotional security is important. They have good work ethics and company loyalty, as long as it is reciprocal. Generation X is not afraid to challenge authority in a changing world of diminishing resources.

Levy et al. (2005:16) found that Generation X individuals believe high performance in their organization is directly linked to the quality of the organization's leadership. On a personal level, they are convinced that their career progress will be directly affected by the quality of the leadership they demonstrate and consequently development of leadership skills is critical to them. Levy goes on to say that they want to be challenged in a meaningful way and they need a sense of ownership and engagement if they are to perform to their potential. They need to be inspired to lift their performance above the ordinary. They also believe that the more opportunity they have to learn and develop, the more they will achieve for the organization.

On their views on management and leadership, Levy et al. (2005:16) found that Generation X individuals identify a difference between management (which they see as technical and task focused) and leadership (which they see as creating a sense of purpose, inspiration and alignment). They are convinced that those in management positions need leadership skills and the greater leadership capacity they have, the more effective they will be as managers. They look to managers for leadership skills such as strategic thinking, motivation, effective communication, constructive conflict management and team building. They appreciate managers with strong coaching and mentoring capability. They do not see the manager and the leader as separate; they see them as integrated in one person.

GENERATION Y

As children of the Baby Boomers, this generation holds political and social values closer to the Baby Boomers than Generation X. While some were born in a pre-digital era, most Generation Y members take the widespread use of digital technology for granted. They are a techno-savvy generation, being the first to grow up immersed in a digital and Internet-driven world. Globalization in the economy and communications has also assisted this generation in being much more tolerant towards multiculturalism and internationalism than previous generations.

Generation Y exhibits strong people skills and a desire to influence and change the world for others and themselves. Whilst they have mostly been fairly sheltered in their upbringing, they have experienced early pressure for success in their education and work. Their appreciation of their skills can lead to them being considered self-centred. They tend to be ambivalent towards authority, seeing it as something to work around rather than against.

Levy et al. (2005:16) found that for Generation Y, ownership, engagement and learning were important leadership factors. They strongly held the view that personalized leadership made the difference in encouraging them to go the 'extra mile' for the organization. Generation Y saw leadership in those that gave them scope, autonomy and opportunity, rather than those who would give them direction, regulation and commands.

MILLENNIALS

Millennials are the most technologically advanced generation yet in the workforce. They have grown up with the digital revolution being a major part of their lives, are technically savvy and have an expectation that this will be an integral part of the work place. Millennials live in an always on world, where they are constantly connected to friends, peers, colleagues and everyone else.

Many are underemployed or hold a number of different part-time jobs. This is in part in response to the economic climate and in part the fact that internal opportunities for promotion up the corporate ladder are diminishing. As a result Millennials tend to keep their work options open, viewing job variety obtained through a number of different part-time work avenues as a suitable means of employment and a way of managing their careers their own way. They do not expect to stay long with any one employer, particularly if they feel that they are not being recognized or rewarded for their efforts.

They are self-confident and have a strong sense of community, local and global, and a desire to make the world a better place. Corporate reputation and social impact efforts are important when considering employment opportunities. As a consequence Millennials seek to work for socially responsible or ethical companies.

They have high levels of student loan debt, which makes it hard to achieve financial independence. As a consequence they currently spend longer living with their parents and marry much later than previous generations.

Succession Planning

Leadership skills are best developed in a corporate climate that fosters encouragement, cooperation, admiration, trust and loyalty and where there are role models to provide examples of effective leadership.

Often overlooked is the need to proactively identify and then begin cultivating the leaders of the future. This is achieved by:

- determining the critical leadership skills, behaviours and mindsets that will be required by the future business direction of the organization;
- identifying individuals who have the potential to develop these skills, behaviours and mindsets; and then
- counselling, training, nurturing and providing stretch assignments and other experiences and opportunities for these individuals to develop the required leadership attributes.

In seeking future leaders past track records and job experiences are not necessarily the best indicators for the fit of the individual with the organization in the future. This is because the organization will be continually moving forward and will require different leadership skills to those that have been successful in the past. Likewise, Gen Y and Millennials may have the mindsets and attitudes to be leaders but lack the opportunity to demonstrate this in the workplace. Taking a holistic approach to leadership and communication styles, values, mindsets, attitudes and agility will assist in identifying potential leaders to fit the desired future state.

Measuring Leadership Effectiveness in Challenging Times

Leadership effectiveness can be judged by how well the organization is positioned for its changing role in the future as effective leaders create and share a vision for the future and instil a sense of excitement about the challenges, opportunities and possibilities faced by the

information service in the global and virtual environment. Ulrich et al. (2008) identify the following five roles for leaders that can be used to measure leadership effectiveness:

- strategist role – shaping the future by focusing on long-term, strategic direction and the organizational capabilities required to realize strategic possibilities;
- executor role – making things happen by translating strategy into actions, making change happen and holding people accountable to ensure the right work gets done;
- talent manager role – attracting, engaging and developing individual capability to be today's talent for the benefit of the organization;
- human capital developer – identifying and developing future talent and building the next generation to assist the organization realize its longer-term goals and strategies and to assist performance over the longer term; and
- personal investor role – always learning from successes, failures and people with whom they work.

In addition to the above, effective leaders display a passion for their own work and instil a sense of excitement and enthusiasm that leads to a highly motivated staff within the information service. Effective leaders are also willing to take measured risks and consider new and untested approaches themselves. They help people overcome their fear of risk taking by creating a corporate environment in which it is acknowledged that mistakes are part of the path to innovation. Effective leaders display the following personal merits and traits:

- strong commitment and eagerness to enable the organization to survive and excel, often to the point of being a zealot;
- able to engage with a diverse workforce with a passion to inspire, energize and excite others;
- able to deal with complexity and view roadblocks and adversity as a challenge;
- foresight to see future opportunities and threats together with strong intuitive and critical thinking skills;
- energy, drive and capacity to engage and keep others enthusiastic, even in difficult circumstances; and
- strong personal commitment to ethics, truth and integrity.

Where there is strong leadership, and an alignment of structure, roles, systems and corporate culture with the business direction of the organization, motivation will be higher. In contrast, an inappropriate leadership style and a lack of clarity in goals will lead to individual dissatisfaction and lowered morale. In this regard, effective leadership is demonstrated when people:

- clearly understand and focus on what the information service is trying to achieve and why;
- know how their tasks fit with their team's and the information service's goals;
- are willing to foster a dependable relationship between consumers and the information service with the ability to tell the truth at all times without retribution;
- have a focus on quality and consistency of product or service at all times;
- communicate with each other in an honest and open manner;
- work collaboratively with all stakeholders whilst acknowledging and reconciling differences in culture, age groups, expertise and backgrounds;

- look for opportunities and engage in change from within; and
- come to work enthusiastic about their work and organization.

Individuals rely upon the leadership skills of their managers to allow them to achieve their need for motivation, rewards and ability to perform their allocated tasks. Consequently, the leader's ability to reduce the roadblocks and increase the opportunities for personal satisfaction can be tested through satisfaction levels with the work that people have accomplished at the end of the day.

Conclusion

Leadership in the virtual age is an enabling act of transforming people and organizations so that they are better prepared to capitalize on opportunities and minimize threats. It involves creating an inspiring vision and shared values, providing clarity of direction, ensuring commitment and creating synergies in a trusted environment where values of ethics, integrity and honesty are honoured during times of upheaval and change. In an era when financial and workplace sustainability is uppermost and where the future lies in the integration of different types of services, the abilities to demonstrate confidence and show respect for differing opinions and professional expertise is paramount to leading change and innovation as well as finding new solutions to problems.

Good leaders communicate openly, listen, support and help others make sense of the changing world. They also involve everyone in times of change, encouraging where possible group decisions. Being open with employees and stakeholders about the organization and its place in the changing world is part of the integrity of leadership. Honesty and openness builds respect and trust which in turn builds morale and helps employees to remain focused on the desired outcomes. Being open about issues, reasons for hard decisions and actions taken reassures people and builds credibility and confidence in the quality of leadership.

Successful leaders can look to the future for opportunities in an age of high uncertainty and fast-changing environments, yet provide a clear understanding of what their organization is trying to achieve and why. Leaders lead by example and change people's awareness of issues by helping them to look at issues in new ways. In adverse scenarios, leaders are those who find the exit strategy or the way out when others consider that the situation is lost.

Effective leaders inspire and excite people through their passion and build loyalty and respect for themselves and the organization. They demonstrate courage and persistence, coaching and bringing out the best in people by tapping into their dreams and ideals. They also concentrate on what the organization needs to have in place to outperform others in a globally competitive virtual environment. Whilst they are optimistic about the future they understand that undesirable events happen and ready the organization to overcome adverse scenarios and find solutions to negative situations. Trust and ethical behaviour in the corporate environment are also important indicators of leadership effectiveness in information services.

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Creating a Values-Driven Culture to Support Innovation

All organizations have a corporate culture. Some are more noticeable or stronger than others. A corporate culture is the system of values, beliefs, norms and behaviours that create a certain organizational climate. Tangible factors such as the external environment, technologies, organization size and structure, generation make up, corporate environment, leadership and management styles also influence the corporate culture. Creating a values-driven culture is an essential leadership role. It underpins trust and confidence that can sustain the reputation of the information service as an employer of choice, a quality service provider and entity demonstrating ethics, good governance, accountability and social responsibility in challenging times.

Corporate culture is the product or outcome of behaviour patterns and standards that have been built up by individuals and groups over a number of years. High-performing organizations are frequently found to be adaptable and values driven, having a strong corporate culture that guides beliefs and values upon which all policies, decisions and actions take place. Their values define and drive the culture and help ensure that all in the organization know and understand what is expected of them. By sharing and ingraining a set of forward-thinking values that guides actions, decision making and behaviours, organizations can be less bureaucratic, less hierarchical and more flexible. Employees not only share the same values, they also share the same vision, exhibit trust and collaboratively strengthen the competitive edge of the organization as both an employer of choice and leader in the field.

Continuing this theme, it is not surprising that values-based leadership is also grounded in corporate culture. Strong corporate cultures have strong leaders who are clear on and keep people focused on the vision. They are also effective in using organizational values as the basis for decision making and translating cultural values at the organizational level into behaviours at the individual level. As a result, getting to know the corporate culture is one of the first tasks that a manager should do when joining an organization, as without this knowledge the manager will be less than effective.

Service integration, the global digital or virtual nature of organizations and the presence of different generations in the workplace are contributing to a cultural revolution caused by a prevalence of different corporate culture types and subcultures in organizations that need to be expertly managed in order to achieve the right balance of local values and behaviours with the overall corporate culture. Examples include:

- reconciling the functional differences between traditional work units such as software development, libraries and records management, or cultural services such as art galleries, museums and historical organizations;
- recognizing and managing different cultural dimensions in global partnerships and alliances;

- recognizing changing values and attitudes to the workplace between age groups in the workforce; and
- helping others understand the use of languages, meanings and contexts that can vary on a geographic or national basis.

Values-Driven Corporate Cultures

Strong values-driven cultures are created, sustained, transmitted and changed through social interaction. This can be through modelling and imitation, instruction, correction, negotiation, storytelling, gossip and observation. They are communicated and reinforced by organization-wide action. High-performing information services ensure that they have well-conceived human resource programmes that reinforce the culture.

Leadership plays an important role in how effectively values-driven corporate cultures are developed, nurtured and communicated, and consequently on the ultimate success or demise of the organization. The person who establishes the service creates the initial, and usually the strongest, corporate culture. This is achieved through both conscious and unconscious acts. For example, their values and beliefs will be translated into policies and procedures. They will tend to recruit staff who share the same ideas and values. These values will then be unconsciously manifested into norms and behaviours over a period of time. If the culture is strong and effective, it will remain long after the founding person has left the service. In the case where a culture has 'served its usefulness' and is no longer relevant to today's virtual online world, a new leader is required to nurture and recruit the right people for the next step in the organization's life cycle.

The influence of senior executives in maintaining a positive and forward-thinking corporate culture during chaotic and challenging times cannot be underestimated. The activities and behaviours of senior executives and managers that are reflected in the basis upon which they make decisions, their desire for organizational clarity, and their attitude towards the future, innovation and creative thinking, their staff and customers all shape the corporate culture. They determine whether the culture is progressive, outward looking, values driven, innovative and service oriented, or traditional and inward looking.

The managers' styles and behaviours must be congruent with the organization's corporate values and behaviours whilst balancing changes that might arise from growth opportunities and the need to transform the organization. Employees will look to their managers to shape shared meanings, define and create values and demonstrate corporate beliefs in times of change. Managers will often find themselves having to deal with changing circumstances and impacts on their own personal position whilst supporting and empowering their people to manage change.

Sitting alongside today's influence of the leader and manager is the historical perspective. In information services where traditions and values can be deeply rooted, certain behaviours and customs become deeply ingrained. New employees quickly have to learn how the organization operates in order to 'fit in'. A values-driven culture will simplify traditions and historically-based values as the culture will install a sense of unity in how employees undertake their duties, discharge their responsibilities, make decisions and conduct themselves individually.

Differences between corporate and professional beliefs and values will often surface during times of change and can result in personal inner conflict and conflict between groups. For example, as organizations move to virtual online services, some individuals may still believe that personal service can only be achieved by the client attending in person. This situation may result in individuals having an inner conflict, as their requirement to adopt and

deliver e-services via chat lines online may be against their personal and professional beliefs of good service delivery.

Similarly, differences in professional beliefs will also be emphasized when entities such as libraries, art galleries and museums are integrated. In these situations the information services managers will not only have an important role in assisting their staff to come to terms with differing or conflicting professional beliefs or values, they will also need to promote a single unifying culture and reconcile the underlying subcultures of the different entities over time. Likewise, where 24×365 virtual services may be offered through a global alliance the different languages, cultures and styles will need to be taken into consideration.

Values and a strong culture sustain individual behaviour and provide meaning, direction and motivation for members' efforts. Everyone knows the information service's objectives; people feel better about what they do as values such as excellence, fairness and integrity prevail; there is transparency and accountability about the organization and, as a consequence, people are likely to be more committed and motivated. No matter how distant the work units are from the organization's head office, all sites are treated equally. This is important in information services, where work unit sites may be geographically dispersed over wide areas.

Conversely, poorly performing information services may still have a strong culture; although this may not necessarily be an effective or healthy one. In these cases the pervading culture is often dysfunctional, focusing upon internal politics rather than external commitments such as clients' needs.

COMMUNICATING CORPORATE VALUES

Communication is both a consequence and an enabler of a values-driven corporate culture. A values-driven corporate culture is learnt and maintained through interactions between people in the organization. It is also expressed through language, symbols, myths, stories and rituals. Specialized terminology, corporate logos, myths and stories of heroes and their successes, receptions for important visitors and ceremonies to launch new services are examples of these. They are symbolic devices that serve to identify and reinforce the guiding beliefs and values upon which all policies and actions take place.

Cultural values are communicated and reinforced through the various human resource management processes. The selection interview, induction process, training and development practices, performance appraisal, career development and reward systems all provide opportunities for the cultural values to be communicated.

The induction process provides the ideal situation to communicate the information service's philosophies and values and the associated management practices. Here the reasons why certain norms and behaviours are acceptable and others are not can be explained. Training and development programmes can reinforce the foundation values and philosophies.

The performance appraisal interview provides the opportunity for discussion, feedback and reinforcement of the required values and philosophies. Underlying subcultures may be detected and corrected if they contradict the overall culture. Incentives and rewards can be used to reinforce the important values and to initiate behaviours leading to good organizational performance.

Corporate stories, legends, slogans, anecdotes, myths and fairy tales are also important as they convey the information service's shared values. Anecdotes and stories provide the opportunity for people to share their experiences. The significant stories are those told by

many people. These are the ones that are active in the cultural network and provide evidence of the corporate culture. Blogs and emails are other examples where the corporate culture is communicated.

Stories of 'heroes and villains' provide an insight into corporate values and the personal qualities of employees who are likely to be successful or unsuccessful. The attributes of those heroes who are in high esteem emulate those qualities likely to be found in successful employees. 'Villains and outlaws' are those whose values or attributes were opposed to those of the organization. They provide the corporate guidance of 'what not to do'. Villains are remembered long after they have left the organization for their 'sins'. They are the outlaws.

The rules of communication are themselves part of the corporate culture. These are tacit understandings about appropriate ways to interact with others in given roles and situations. They are generally unwritten and unspoken. As prescriptions for behaviour, they function to coordinate, interpret and justify interactive behaviour and act as self-monitoring devices. They provide guidelines as to what is acceptable interactive behaviour within the organization.

ORGANIZATIONAL SUBCULTURES

Organizational subcultures arise out of the functional differences within organizations. These include the use of different technologies, the identification of different values and interests, the use of different terminologies or languages, the employment of different approaches to problem-solving techniques, and the different aspects of the interactive external environment. People with different roles, expertise and functions who are employed in different work areas can place a different emphasis and value on work processes, timeframes, behaviours and priorities. Likewise, different generations in the workplace may hold different values about the nature of work and work-life balance. Subcultures are natural, healthy phenomena unless they interfere with or detract from the overall corporate culture.

Subcultures can also be based on gender, occupation, status, task, tenure, age group or ethnic origin of the work group. Socio-economic and educational backgrounds can also lead to subcultures being formed. In strong cultures subcultures do not cause problems as the overall values and beliefs are clear. However, in weak cultural environments they can be very destructive as they may obscure overriding values and result in cultural drifts.

Corporate Culture Types

Information services can have many different corporate culture types. In small operations there should only be one culture. This should reflect the corporate culture of the parent organization. In larger information services, where extensive differentiation occurs, more than one culture may exist.

Differences in corporate culture types arise out of organizational influences such as organization structure, the amount of risk associated with decision making and feedback received from the environment. It is important to understand the culture type in order to reconcile certain aspects that might be harmful to the whole and to work effectively within and with it. There is no universally correct culture. The culture of the organization should be appropriate for the circumstances and the people involved.

Table 8.1 illustrates the differences between traditional cultures and those that have a values-driven culture.

Table 8.1 Differences between traditional cultures and values-driven cultures

Organizational influences	Traditional cultures	Values-driven cultures
Vision	In the present, bettering the <i>status quo</i>	Global, futuristic
Leadership	Enhancing current performance	Entrepreneurial, anticipating and positioning for the future
Corporate values	Technical perfection and efficiency	Trust, excellence, fairness, integrity, creativity
External environment	Static	Turbulent, complex, challenging, changing
Corporate environment	Bureaucratic	Innovative, risk taking, fast moving, intuitive
Relationships	Competitive	Collaborative
Change	Viewed as a threat	Viewed as an opportunity
Heroes	Those with technical knowledge	Those with new thoughts and ideas
Behaviours	Self-preservation, anxiety, confusion, blaming	Belonging, openness, learning, trust, pride, respect for others' ideas and mutual support
Attitude to mistakes	Not tolerated	Considered part of the learning experience and innovation process

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VALUES

Values are core to a values-driven organizational culture and the basis of human activities. In challenging, chaotic and complex times they provide the anchor upon which difficult decisions can be made about the organization's and individuals' future. Values:

- have a moral dimension and influence the beliefs and attitudes of individuals and groups in that they comprise those matters most important to an individual, group or organization. Examples of such values are honesty, openness and loyalty;
- contribute to the corporate climate by reflecting desired behaviours or states of affairs and by influencing people's perceptions of situations and problems, choices, preferences and decisions. Consequently the corporate values should be shared between management and their people. Examples of such values are respect for others, their professional expertise and backgrounds;
- transcend both contexts and experiences and can be used in tough decisions in complex situations that have not been experienced before; and
- can be the preferred mode of decision making as they can be used to create the future that people want to experience.

Corporate values espouse clear, explicit philosophies about the information service's or its parent organization's objectives. However, information services and their parent organizations may not necessarily share common values. Whilst all might have a customer focus and be of equal value to the organization, their own values pertaining to their roles

and expertise may differ. Differences may also occur because people in one work group do not fully understand the roles and functions of the other work groups. They are not aware of each other's contribution to the organization. They only see the others' roles in the areas of work that immediately affect them or where the work unit boundaries overlap.

Often people with different role functions will be physically separated from each other, which will further reinforce their differences. Despite the advantages of email and Web tools, geographic isolation means that there is a lack of spontaneous face-to-face communication where personal alliances and understanding can be established. Motives for actions will also differ. For example, finance or administrative staff may value their ability to make savings in expenditure for the organization, whilst the front line or e-service delivery personnel may wish for more money to increase their opportunities for customer service delivery.

As a service organization in an innovative environment, the information service's highest-order values may be used to reconcile these differences and minimize the effect of differentiation. All groups should be able to adopt generic values such as innovative thinking, excellence in service delivery, a commitment to quality and continuous improvement, respect for individuals and their privacy, ethics and integrity, and openness and accountability. These values are in turn reinforced through the values statement (see Figure 8.1).

Corporate values also provide the opportunity to develop trust and an ethical philosophy within the information service. Appropriate and workable ethical principles, values and behaviours can be developed and reinforced through the corporate culture. Johannsen (2004) emphasizes personal integrity, professional drive, social skills, new thinking and ethical conscience as the most desirable characteristics of staff. Personal integrity is reflected in empowerment, pride, recognition and self-respect. Professional drive, or 'new thinking' is related to change and quality management-oriented values such as care, creativity, entrepreneurship, flexibility, innovation and quality consciousness. Social skills are emphasized through values of recognition and team spirit.

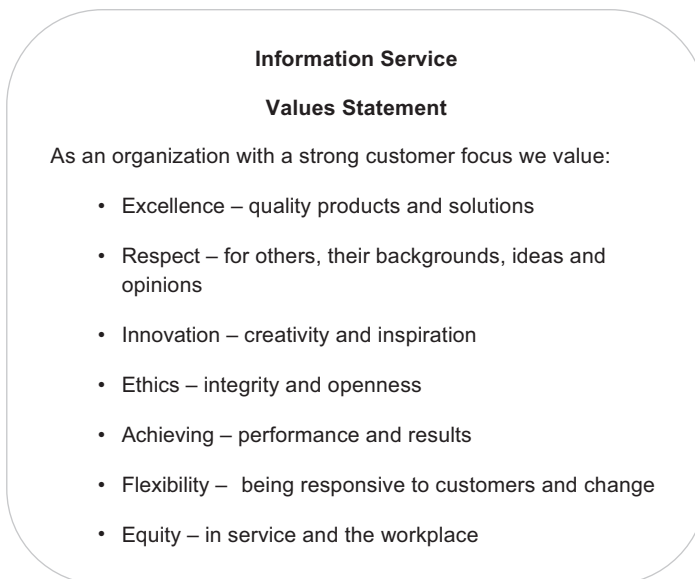


Figure 8.1 Values statement

BELIEFS, NORMS, SHARED MEANINGS AND BEHAVIOURS

Beliefs

Beliefs are the acceptance of or convictions about values. They are to a great extent shaped by the consistencies or inconsistencies between values statements and actions or behaviours of senior executives within the information service or parent organization. If there is consistency then their actions will influence the beliefs that would be expected to evolve from the stated values. Inconsistencies between values statements and actions will result in different beliefs and weaken the organizational culture.

To be successful, corporate beliefs should be visible, known and acted upon by all members of the organization. This can only be the case if they are communicated throughout the organization and reinforced through workplace processes, recognition and rewards. They then become permanently infused and accepted as the norms by which the organization exists.

Rites and ceremonies are efficient and effective methods of communicating and instilling beliefs into an organization. In performing these, people make use of language, gestures, ritualized behaviours, artefacts and settings that heighten the expression of beliefs and shared meanings appropriate to the occasion. Logos also represent organizational symbols with which people identify.

Norms

Norms are standards or patterns of meaningful behaviour that are passed on to others through modelling, instruction, correction and a desire to comply with others. When people interact they exchange words, tones and pitches and non-verbal behaviours such as gestures, appearances, postures and special relationships. This interaction forms patterns that, after repeated use, become accepted as the rules and systems that determine everyday behaviours and are transmitted unconsciously within organizations.

Shared meanings and behaviours

Shared meanings are different to social norms as they focus upon message exchange, interpretation and interaction sequencing. Shared meaning assumes that people have similar attitudes, values, views of the world and feelings about situations. Most positive actions take place on the basis of shared meaning or on an assumption that people in the same situation share common experiences and viewpoints. Shared meaning is consequently the system that allows actions, events, behaviours and emotions to take place.

Shared behaviours guide values-driven work practices, decision making and dealings with customers, clients and people in the workplace. They set the standard of interaction and service that builds the image of the information service. Examples of shared behaviours that may be emphasized by the information service include listening to and having a mutual respect for customers and other people, solving problems as they occur, or behaving in an ethical manner.

Shared behaviours influence the operational environment of organizations. For example they often determine how:

- issues are identified and addressed;
- decisions are made and communicated and who is involved in decision making;
- work is organized and delegated;
- actions are taken;

- flexible the organization is regarding work practices; and
- technology is viewed.

CORPORATE RITUALS

Many activities in organizations are expressions of corporate rituals, the consequences of which go beyond the technical details. Examples include induction, training, organizational development activities, high-profile sackings and end-of-year celebrations or other festive occasions. Trice and Beyer (1984:653–669) have identified some organizational rites or activities that have social consequences in organizations and these are described below.

Rites of passage

Rites of passage begin with the induction and basic training processes. These allow employees to part with their past identities and status and take on new roles. They minimize the changes that occur in the transition from old to new and re-establish the equilibrium in ongoing social relations. The induction interview with the Chief Executive Officer or the refurbishment of an office for a new manager is part of the incorporation rite. Retirement ceremonies and farewell parties are part of the rites of passage when employees retire or resign.

Rites of degradation

Rites of degradation take place when the Chief Executive or person of high authority is fired and replaced, dissolving his or her social identity and power. Such an action may be interpreted as the organization's public acknowledgment that problems exist. As a consequence, group boundaries may be redefined around the previous close supporters of the executive. These supporters may or may not be incorporated into the newly formed groups. The social importance and value of the role are reaffirmed if the executive is replaced. If the position is not filled, it is an indication that it had no importance in the organization.

Rites of engagement

Enhanced personal status and the social identification of individuals who have been successful within the corporate or professional environment are provided for by 'rites of enhancement'. Examples of such are the granting of membership to an elite group, or the granting of a fellowship or life membership to a member of a professional association. Such a membership is usually jealously guarded by those who have attained such status. Rites of enhancement spread good news about the organization and by association enable others to share some of the credit for these accomplishments.

Rites of renewal

Rites of renewal are provided in organizational development activities such as strategic-planning processes, job redesign and team-building programmes. These are rites that are intended to refurbish or strengthen the existing social structure and improve its functioning. The latent consequences of rites of renewal are that members are reassured that something is being done to correct organizational problems. However, they can be used to focus attention away from one problem to another.

Conflict reduction rites

Conflict reduction rites involve collective bargaining or feigned fights of negotiation where parties may become hostile, threaten to boycott or walk out of the negotiating process whilst the other parties speak of compromise, point to areas of cooperation and attempt to overcome the anger in a ritualistic way. These actions may deflect attention away from solving problems.

Other forms of conflict reduction rites are the formation of committees, advisory groups or task forces. Most of these groups serve to re-establish equilibrium in disturbed social relations. Confidence is often renewed when it is known that a committee or advisory group has been formed to investigate or advise on an issue.

Rites of integration

Rites of integration encourage and revive common feelings that bind members together and commit them to a social system. Such rites are found in the corporate end-of-year functions. They permit emotions to be vented and allow the temporary loosening of various norms.

Conclusion

The corporate culture is one of the most significant influences on an organization and the behaviours of the people who work there. In fact an information service's culture may be more influential on employee behaviour than the organization structure because of its subtlety and pervasiveness. A values-driven corporate culture helps instil a sense of unity and underpins trust and confidence in the organization through times of turbulence and change. It can also uphold the reputation of the information service as an employer of choice, a quality service provider and an entity demonstrating ethics, good governance, accountability and social responsibility in challenging times.

Leadership is the most important influencing factor on the values-driven corporate culture. Strong values-driven cultures come from within and are built by the founders and by individual leaders, not consultants. These are people who care about their employees and the organization. The corporate values and beliefs can also be reinforced by the selection interview, induction process, training and development processes, performance appraisal interview and reward systems. Cultures are sustained and transmitted through the communication processes of languages, storytelling about the heroes and villains of the past, and through rituals and ceremonies.

Strong cultural values are important to information services as they provide employees with a sense of what they ought to be doing, and knowledge of how they should behave consistent with organizational objectives. Strong cultures represent an emotional feeling of being part of the information service and its parent organization, and lead to greater employee commitment and motivation.

Differences in values occur between specialists and other staff in the organization through varying work emphases, codes of ethics, tasks, work orientations, training standards, identities and sources of motivation. These affect the way individuals view each other and have implications for the management of expertise.

How corporate values and beliefs are managed during the process of integrating services will play an important part in determining the success of the venture. In these situations the information services manager will have an important role in assisting staff in coming to

terms with differing or conflicting professional beliefs or values, and in promoting a single unifying values-driven culture. Likewise, where 24×365 virtual services may be offered through a global alliance the different languages, cultures and styles will need to be taken into consideration.

Successful organizations also have strong innovative cultures that tolerate mistakes as part of the learning experience and which champion new ideas. The values statement is an important tool through which the organization can communicate its expectations regarding the behaviours of individuals towards each other. Values need to be reinforced as part of the corporate culture through management actions, practices and procedures.

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Innovation and Creativity

Innovation is the ability to turn knowledge and bright ideas into an opportunity or to use these ideas to solve a problem. This, according to Walton (2008:125), citing the European Union, is to do with:

- renewal and enlargement of the range of products and services and the associated markets;
- establishment of new methods of production, supply and distribution; and
- introduction of changes in management, work organization and the working conditions and skills of the workforce.

A fourth category of innovation is the paradigm shift to virtual e-services that is changing the fundamental mindset about how and why information services and libraries exist.

Innovation is an effective competitive weapon in challenging economic times as it allows organizations to redefine the market place and market space in their favour. This can be achieved by developing new mindsets and business reengineering, by bringing in new ideas and services through recruiting talented and clever people, or through engaging in strategic alliances. Innovation also has personal advantages in that an individual's capacity to think creatively about future possibilities in their careers can lead to personal success as well as organizational success.

In libraries and information services the innovative process can be either radical or incremental. It may have its source externally, such as Web 3.0 and Web 4.0 developments and the introduction of e-books, or be developed from ideas internally. It is manifested in the creation of new knowledge and ideas, different products and e-services, new process technology, improved business processes, exciting partnerships and collaborative opportunities, or new plans and programme initiatives that lead to differentiation in the market place and add commercial and/or social value.

Successful innovation requires entrepreneurial attitudes and activities – that is, the abilities to take up opportunities, engage others and make things happen, together with a willingness to take risks. It is also linked to change management and leadership in that:

- people's working lives will change;
- there will be emotional fear as not everyone may have positive outcomes; and
- not everyone may be as enthusiastic about the latest innovation as others.

Creativity is the process of human thought that leads to new ideas and innovation. It occurs when people are inspired to show ingenuity, have originality in thought, make meaningful connections, and are willing and able to demonstrate inventiveness. Rowley (2011:19) quotes Bessant and Tidd (2007), saying that 'personality traits often associated with creativity

include: openness to experience, tolerance of ambiguity, resistance to premature closure, curiosity and risk taking. They also include creative thinking abilities, such as fluency, flexibility, originality and elaboration'. Encouraging creativity (the generation and development of new ideas) and innovation (the implementation of new ideas) within an organization is an essential leadership role.

Today, senior executives are under constant pressure to withstand financial and other pressures, redesign services to meet clients' expectations for virtual service delivery and find new sources of growth in a time of constrained resources – all of which happen in an increasingly demanding and competitive business environment. Innovation and creativity are the new business enablers and sources of growth. They are necessary ingredients to future proof and sustain organizations by providing:

- imaginative insight and out-of-the-box thinking when identifying possible risks and opportunities and in forewarning of major changes in the environment;
- the means to deal with the unstructured problems arising out of competitive and rapidly changing environments, rapidly evolving technologies and changing user behaviours;
- alternative and new solutions to manage and overcome complex and seemingly unresolvable issues; and
- vision, imagination and inventiveness to create new product and e-service offerings ahead of competitors.

With innovation, organizations can develop their own special brand of uniqueness and market differentiation. Without it, organizations will only stagnate and eventually meet their demise.

Progressive organizations acknowledge the need to strategically manage their intellectual property and branding as well as their material goods. Reflecting the importance of these intangible assets systems are put in place to identify and properly manage all the intellectual property that arises from creative thoughts and bright ideas as well as the organization's brand reputation.

Sustaining this shift in thinking is the recognition that productivity alone is no longer as significant a contributor to success as it was in the past. Brand recognition and reputation as well as people's capacities to solve problems in unique ways, to conceive bright ideas, and use entrepreneurial thinking have equal importance. Employees' know-how, talents, skills and expertise need to be recognized as an important corporate asset and their further development encouraged. To meet this challenge, Leavy (2005) says that 'CEOs must learn to inspire their organizations to new levels of inventiveness in everything that they do, not just in marketing or new product development'.

A creative environment requires excellent leadership to drive a culture that taps into the creative potential of all employees and allows champions of change to set standards, promote ideas, to build support and to implement new ideas. It requires a corporate culture and leadership style that values trust, flexibility and adaptability; one that is risk taking and supportive of open communication as well as being open to new ideas. A creative environment is fostered through leadership and management practices, as well as by making itself attractive to more diverse and unconventional talent. Rewards systems and performance reviews that support and actively encourage ideas generation and divergent thoughts in problem solving also assist in maintaining and reinforcing the creative culture.

Supporting these ideas, Leavy (2005) identifies four climate-setting factors that help create an innovative culture:

- placing people and ideas at the heart of the management philosophy;
- giving people room to grow, to try things and learn from their mistakes;

- building a strong sense of openness, trust and community across the organization; and
- facilitating the internal mobility of talent.

Critical Sources of Creativity

INNOVATIVE CAPABILITY

Innovation is the ability to predict or and achieve the inconceivable, that is, to invent and implement something that no one else has thought of or done before. In advanced organizations with an innovative capability there is a significant shift from an emphasis on the strategic management of material goods to nurturing the know-how, talents, skills and expertise of people whilst securing and managing intellectual property and corporate branding.

Creativity and innovation are also acknowledged for their role in exploiting change and for providing the organization with the means to deal with the unstructured problems arising out of changing environments. People's capacities to solve problems in new ways, to conceive bright ideas and to use entrepreneurial thinking also become much more important in sustaining the organization in challenging times. The challenge is to generate an environment in which change and challenges are perceived as opportunities rather than threats. This enables people to put forward suggestions without ridicule or judgement, and for risks to be willingly assessed and taken, allowing mistakes to be made as part of the learning process. Systems and processes are in place so that everyone reports regularly on their activities and contributions to the innovative capability of the organization.

Innovation and creativity need a balanced mix of leaders, ideas generation generators, champions, intrapreneurs, upholders, gate keepers and coaches. These key functions call for people with specific skills and personal attributes who can:

- contribute to and sustain the organization in challenging and complex times;
- encourage interaction between individuals so that they can bounce ideas off each other;
- create a substantial body of knowledge and a learning environment from which new ideas can be drawn;
- instil customary thought processes that enable new combinations of ideas and which ask 'How can we do things better?'; and
- allocate time where people are encouraged to participate in new thinking.

Idea generators are those with expertise in the field and who enjoy conceptualization. Idea generators are also good at problem solving and seeing new and different ways of doing things, which are important in discovering new business opportunities in the integrated, virtual and global world. Idea generators need sponsors who are sufficiently high up in the organization to marshal the required resources to support the proposed activity. Executive management has a sponsorship role in ensuring organizational commitment and that the necessary resources in people, knowledge, time and money are available.

Another set of people who perform critical functions are champions. Champions are energetic and determined; they demonstrate a commitment and push ahead with the idea no matter what the roadblocks. Champions take risks in getting things done, sometimes at a personal cost. Whilst they might not have a strong knowledge of the discipline, they are visionary in that they can see how the idea can be applied and sell the idea and its application to others.

Whilst entrepreneurs tend to be externally focused in seeking new opportunities, intrapreneurs are the entrepreneurs who champion creativity and change within an organization. They operate within the setting of an established organization, with its attendant

structural and procedural constraints. Consequently they have the cross-specialized talents of entrepreneurship, risk taking, idea generation and gate keeping and the attributes to lead and manage natural love-hate relationships, confrontation and conflict.

Their work is often managing the interdepartmental rivalries and conflicts that need to be resolved with care to ensure that creativity is not stifled, that ineffective compromises are not made and that interdepartmental communication and cooperation are not adversely affected during the period of change. Other obstacles with which they deal include individual resistance and opposition to new ideas, difficulties in maintaining enthusiasm over time, legislative and regulatory constraints, and difficulties in introducing new technology.

Every innovative idea will need an upholder. Upholders plan, support and organize the innovation as it moves from being an idea into a project or production mode. Upholders focus on the administrative tasks of finance, marketing and coordinating, and know how to broker deals and move things forward within the organization. They also ensure that the legal requirements are met, which might include registration of a trademark, design or complying with copyright. In successfully moving the project forward, they also know and acknowledge where there may be sensitivities in coordinating groups and people involved in the project.

Gatekeepers span the boundary of the organization and the discipline. They possess a high level of technical competence and keep themselves informed of future trends and developments in their field of expertise, which they readily share with others in the organization. They have strong networks and are seen as an authoritative and credible source of knowledge in a particular subject. Gatekeepers are good communicators and are often aware of competitor moves through their connections. They are usually approachable and enjoy the contact with others.

Coaches help develop others' talents and provide encouragement and a sounding board for new ideas. As a source of objectivity, they provide legitimacy and organizational confidence in the innovative project. They also have credibility and can play both a protective role by buffering the project from unnecessary constraints as well as a linking role to other significant stakeholders.

Creating an Innovative Environment

The conversion of conventional work practices and values into ones that are entrepreneurial and risk taking takes considerable leadership skill and foresight. It requires leadership abilities that enable and facilitate people to deploy their creativity, balance their individual-collective emphasis and work together to achieve a corporate environment conducive to innovation. These abilities involve creating a values-driven culture, engaging change, supporting risk taking, communicating openly, structuring to encourage creativity, encouraging opportunistic practices, attracting and retaining creative talent and instilling pride and commitment.

VALUES-DRIVEN CULTURE

A values-driven culture needs to be created that not only values knowledge sharing, ideas generation, open communication and entrepreneurial thinking, but also sustains that commitment year after year. This means a major shift in the values for some people, not just a slight increase in awareness of entrepreneurship or the establishment of one or two new programmes or activities for the year. The people leading the change will have to champion their cause, motivate and prepare others to readily accept and be emotionally

committed to change. This includes communicating that creativity is valued and welcome, encouraging creative-minded people to act as role models and inspiring others to be creative.

ENGAGING CHANGE

Creating an innovative environment requires both strong leadership and skills in change management. This is because creativity has both positive and negative forces within organizations. It is both a producer and a manager or minimizer of conflict. Creativity produces change that further creates conflict. Creativity can also be used to manage resistance to change and conflict.

People must be receptive to innovation and willing to perceive change as an opportunity rather than a threat. Most people are creatures of habit and resist change, seeing it as threatening their existence. It takes leadership skills to create an environment in which change is encouraged and accepted as the norm.

SUPPORTING RISK TAKING

Creating an innovative and creative corporate environment as described above requires a culture that supports risk taking without penalty when mistakes occur. Management must be willing to be bold, take risks and allow their people to make mistakes as part of the learning process. If failure means the loss of a job or not being given the opportunity to try something new again, either on a group or individual basis, creativity and innovation will be discouraged. Furthermore, the corporate culture will hold the belief that if you value your job, it is not worthwhile attempting anything difficult or challenging.

Risk taking is a balancing act. It does not mean proceeding with an action prior to considering all its possible consequences, and it is important not to create an impression that only winners get promoted. It is about creating an environment where everyone is valued for bringing their bright ideas to work rather than leaving them at home, where there is a culture of asking 'how' rather than 'why', and people are comfortable with offering ideas that have been thought through. Coupled with risk taking is the concept of autonomy, where key organizational players are enabled to take action free of stifling organizational constraints.

COMMUNICATING OPENLY

Creativity and innovation are dependent upon open communication channels to share knowledge and new ideas. Open communication channels, where people communicate well, also allow people to constructively challenge assumptions, trust and help each other. Conversely, poor lateral communications, harsh criticism, workplace distractions, unnecessary bureaucratic procedures and lines of authority can stifle the exchange of ideas and experiences between people. Whilst everyone should be encouraged to be creative, divergent thinkers should be particularly motivated and encouraged to anticipate future problems and share their ideas with others. Innovation should be openly celebrated and individuals with talent should be recognized and persuaded to champion their ideas.

STRUCTURING THE ORGANIZATION

Successful organizations are designed to encourage creativity and change. Organizations that consist of small teams or groups are more likely to foster creativity as new ideas

and fast action can flourish without bureaucratic overheads. Strong lines of authority often prevent initiative and creativity. Organizational structures also influence the behaviours, communication and interactions of people. A structure that facilitates the sharing and testing of ideas is a prerequisite for creativity and innovation.

ENCOURAGING PEOPLE TO THINK CREATIVELY

An innovative climate is reinforced through incentives, policies and practices that encourage opportunistic practices. Whilst some people will be more creative than others, everyone has the capacity to contribute new knowledge and use their ingenuity regardless of their background and experience. Even the most unusual idea should be given consideration by management. People should be given the freedom to try new ways of performing tasks and their successes celebrated. Challenging, yet realistic, goals should be set and immediate and timely feedback on performance given. Participative decision making and problem solving should be encouraged. Responsibility should be delegated to allow staff to be self-guiding in their work.

Personal development strategies allow for creative pastimes. The balance of right and left brain activities is necessary to assist personal growth and achievement. Creativity can also play a part in making personal career decisions in times of contracting employment opportunities. Individuals who are creative in setting their career goals and who proactively seek opportunities to achieve these will be more likely to succeed than those who do not.

INSTILLING PRIDE AND COMMITMENT

Innovative organizations generally have a culture where acceptance of responsibility and a commitment to the organization goes beyond the individual's functional role. The organization exhibits pride and there is positive reinforcement of it being an employer of choice and a role model for others. Success breeds success and this in turn reinforces commitment and dedication to the organization.

ATTRACTING AND RETAINING CREATIVE TALENT

Innovative organizations go out of their way to recruit and keep talent. Leavy (2005) says that innovative companies thrive on a diversity of talent and outlook. Accordingly, they put much thought and effort into the recruitment process and Leavy identifies three ways of recruiting creative talent:

- hire individuals with a range of abilities and interests;
- hire people with a variety of backgrounds and personalities; and
- involve peers heavily in the selection process.

The Innovation Process

A wide variety of innovation process models exist and are in use. Common staged elements include:

- idea generation and opportunities
- concept testing and development
- implementation.

Each of these stages has one or more decision points that determine whether the innovation should progress to the next stage.

Ideas by themselves will not necessarily lead to an innovative outcome or solution. There must also be an opportunity, that is, a need, problem, or actual or potential demand for a product, service or experience. The idea and its outcome or solution must also be technically feasible and attractive to the organization. Sometimes there is more than one idea that will resolve the need, problem or demand. In this case a choice needs to be made regarding which ideas should be further developed.

An important component of the concept testing and development stage is a feasibility analysis that determines whether the idea is viable and worth pursuing. This includes:

- product, service or experience viability – an assessment of the overall appeal of the potential innovation;
- industry and market viability – an assessment of the extent to which there are opportunities for good financial returns and market share, market timeliness and size of the market niche;
- organizational viability – an assessment of the adequacies of management experience, organizational competencies and resources; and
- financial viability – an assessment of the availability of financial resources to support its development and the overall financial attractiveness of the proposal.

In the implementation phase consideration is given to resource allocation and management, project management, scheduling, budgeting, and monitoring and control.

Conclusion

Innovation and creativity are critical to sustaining organizational success in times of constraint. Innovation requires a strong corporate culture and leadership style that are flexible and open. Innovative organizations are highly skilled in measuring, managing and improving their intellectual capital, knowledge and know-how. People are inspired to show ingenuity and creativity by senior management and are judged on their contribution, which can come from many roles. The corporate culture encourages originality and resourcefulness, celebrates success and views mistakes as a learning process. These beliefs are communicated formally and informally.

There are several critical roles that support innovation and creativity in organizations, these being:

- ideas generators
- champions
- intrapreneurs
- upholders
- gatekeepers
- coaches.

Critical success factors in creating an innovative environment include having:

- the ability to manage change;
- support for risk taking activities;
- open communications;

- flexible organization structures to support the sharing of ideas;
- a culture that encourages people to think creatively;
- leaders and managers who can instil pride and commitment into the organization; and
- the ability to attract and retain creative talent.

Although conflict is inevitable during the change that innovative processes bring, successfully innovative organizations manage this to ensure that creativity is not stifled.

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Engaging Change for a Virtual World

Change, innovation and leadership are inextricably linked. Change in organizations arises out of the need to be innovative, to proactively engage change from within and position for the future or as a reaction to sudden strategic shocks in the external environment that arrive unannounced and unanticipated. Internal catalysts for change include the natural transition that occurs as organizations grow and mature, a desire for performance improvement, business reengineering and business process change. All require strong leadership skills to energize change in mindsets and, frequently, the corporate culture.

Organizational change inevitably leads to changes in circumstances for individuals, or the human side of organizations, which also needs to be managed and supported. With this in mind this chapter concentrates on many of the people management issues associated with sustaining work force performance through difficult challenges and change.

Forces for Change

Change can be defined as an alteration in relationships or the environment. By their nature, information services can be catalysts for change as information and communications technology (ICT) is in itself an agent of disruptive change as well as often being used as a tool for innovation and transforming organizations. Transformational change is also part of the process of building a better organizational future by making the organization more agile, innovative, flexible and engaged.

External forces that are causing information services to rethink their processes and operations and engage with change are:

- Web 3.0, Web 4.0 and onwards developments that are changing both employees' and customers' expectations and attitudes to sourcing information and service delivery;
- new business and pricing models as publishers move from print to electronic media as their preferred product;
- demand for virtual, non-stop 24×7 service delivery; and
- changes in the outlook and behaviour of organizations as a result of financial constraints, globalization and global markets.

INTERNAL AND INCREMENTAL CHANGE

Incremental and internally shaped change occurs as a result of leadership driving the organization forward and responding to the need for innovation and revitalization in a changing business environment. Incremental change is usually planned, allowing some control over outcomes whilst still needing to be quickly implemented in order to make the most

of the opportunity. Amongst other factors, change from within can be initiated through new leadership styles, exposure to new products and customer service, ideas and values, making a commitment to social and environmental responsibility, business strategy and a desire for business growth, or the requirement to place the organization in a more financially sustainable position.

A further internal force for change is growth within an organization. It occurs naturally as part of the organizational life cycle and is an essential means for survival. As the information service and its parent organization grow, they progress through an organization life cycle where changes in managerial structure, processes and style occur. These bring significant changes and challenges that need to be managed from one stage to the next.

Engaging change from within uses leadership skills in:

- having and imparting a sound strategic vision and a belief in their strategy and short-term goals;
- building new mindsets with energy and shaping an organizational capacity to think differently about future opportunities;
- instilling a culture that is innovative and supportive of the need to create and embrace change;
- working constantly to attract, retain and engage talent; and
- developing ownership and commitment to action throughout the organization.

EXTERNAL AND DISRUPTIVE CHANGE

In contrast, radical or disruptive change occurs in response to an abrupt event in the environment. It can be described as a strategic shock that transforms everyday life, alters cultures and values, or disrupts institutions. Examples where information services are significantly rethinking service delivery in response to external change agents include:

- moving from a bricks and mortar approach to virtual, online delivery service;
- minimizing the overheads of expensive inner city real estate by moving material to outer suburban warehouses from which books and materials are couriered door to door to users on demand, as per the shop online supermarket model;
- entering into global information-centric collaborative or partnership ventures to deliver 24×365 services; and,
- grasping the opportunities offered by Web 3.0 and Web 4.0 applications as business tools.

Leadership qualities come to the forefront in these situations in both proactive and reactive capacities. Those organizations best able to survive these situations are ones that have already been proactively readied to withstand unprecedented circumstances and have a resilience and capacity to think innovatively, act and adapt quickly, and find the single survival path to the future. The reactive capacity occurs at the moment of shock or crisis in that strong and directive leadership skills are needed to assess and take charge of the situation, make quick decisions and provide direction.

Reid (2010:1) has identified 10 common themes or lessons for leading change in turbulent times:

- strong, emotionally intelligent and resilient leaders who articulate strategic intent, clarify roles, align goals and empower people to act;
- highly talented, cohesive teams with well-managed talents and tasks;

- supportive, values-based cultures which engage and energize employees, customers and stakeholders;
- intense client focus that promotes listening, collaborating with partners and delivering;
- reshaped organizational processes, practices and structures that clear obstacles and create customer value;
- leading edge technology that enables business goals;
- proactive decision making and intelligent risk taking based on factual, well-tracked data and EQ-IQ partnership;
- strong implementation focus, project management and sustainment;
- recognition, reward and celebration of the changes; and
- lots of fun.

PERFORMANCE IMPROVEMENT

Performance improvement programmes designed to place the organization on a more sustainable footing can also induce change. Eaton (2010:49) outlines five improvement framework elements that need to be owned and implemented:

- understand the context – being clear about the where and why an organization needs to improve based on an analysis of market forces, needs of stakeholders and current issues (such as new technology or regulation);
- manage the gap – understand the actual performance and the required performance and then actively managing the gap;
- maintain stakeholder commitment – gaining and maintaining stakeholder involvement in the process of change;
- monitor, evaluate, support and improve – making improvement and progress a regular board matter, evaluating what has happened, supporting front-line teams, and continuously improving the way the improvement process is working; and
- adopt a three-step improvement cycle – for each area that needs to improve, it is important to be clear about what needs to be done, implement it and then vigorously follow up and improve what has been done.

Eaton's five improvement framework elements can also be supported through strategies to assess and address the current state of change readiness, the impact of change on stakeholders and organizational culture, communications and feedback mechanisms, change risk, and the post implementation review of the change process and its outcome.

Business Reengineering

Business reengineering is the ability to rethink fundamentally the mindset or way in which organizations deliver their products and services in line with their business strategy. It is an important necessity in ensuring the viability of an organization in challenging and changing environments. Business reengineering is more than the need to continually review and continuously improve organizational processes, which is known as business process change.

Business reengineering is a business strategy that takes a radical approach, completely rethinking and transforming processes and delivery mechanisms to enable better service delivery and increased productivity rather than cost cutting. It is the mechanism through which significant first-to-market competitive initiatives that rewrite the rule books in product and service offerings are achieved. Shifting the delivery model from a bricks and mortar approach operating out of a localized access point that is open weekdays and part

of the weekend to an online global 24×365 operating model utilizing institutions around the world is an example of business reengineering. In this example, the traditional functional and organizational boundaries are changed to a global business context. Cross-functional and cross-organizational processes have to be radically revised and implemented. This necessitates reshaping job designs, information flows and technology applications, sourcing material differently, as well as making changes to organizational structures and management systems. The focus will also shift to managing the cultural dimension of the participating organizations including values and workplace norms. Likewise the move from back-of-house storage of materials in inner city venues to a demand driven online supermarket model utilizing outer suburban warehouses also requires significant business process reengineering.

Business Process Change

Business process change is a subset of business reengineering. It is a continuous improvement practice that moves on an incremental basis in terms of cost, time, risk and complexity from business process optimization to business process redesign and finally to business process reengineering.

Business process optimization involves improving and fine tuning existing systems and processes for efficiency. It has an operational perspective and is usually low risk being confined to discrete functions, albeit it should be designed within the context of the value chain in which these functions operate. Process optimization is typically less costly and faster to implement than the other business improvement practices.

Business process redesign is often used to enable more enhanced customer service by streamlining processes as well as reducing productivity bottle necks in high impact areas. Process redesign involves extensive or comprehensive change to systems and processes or the introduction of new systems and processes that can cut across functional or organizational boundaries. However, it does not involve radical change arising out of rethinking the business. Business process redesign needs to be well planned and have strong executive commitment as it can involve a high level of complexity and risk as well as being costly to implement.

Business process reengineering concentrates upon rethinking work practices and processes within an organization to achieve dramatically better outcomes either in terms of higher levels of efficiency or productivity or to deliver new value to the customer. Instead of concentrating on functions, process reengineering looks holistically at all the steps that contribute to the process of creating the outcomes to achieve radical improvements to the organization's bottom line.

Business process reengineering is often technology-led. Examples include libraries that have adopted self-service check out facilities and airlines that have reengineered their check-in procedures. Check-in counters where hard copy boarding cards were issued have been replaced by RFID baggage tags and check-in and boarding card information being transmitted to a mobile phone which is scanned at the flight gate. In shifting service delivery in this manner both services have:

- saved check-in staff labour and paper card costs;
- delivered a more environmentally sustainable solution; and
- eliminated check-in queues providing greater efficiencies and convenience to the customer.

Michael Hammer (1990:104–112) was one of the first advocates of business process reengineering thinking. He argued that organizations should use the power of ICT to redesign business processes radically in order to achieve dramatic improvements in their

performance. He argued that organizations could not achieve major breakthroughs in their performance just by trimming the fat or automating existing processes. Organizations needed to recognize and break away from outdated rules and fundamental assumptions that underlie operations in order to avoid simply speeding up inappropriate processes.

Strategic Organizational Change Management

Strategic organizational change brought on by the need to rethink fundamentally the mindset or way in which organizations deliver their products and services must be planned and managed in a formal manner. The four stages of strategic organizational change and likely emotions, behaviours and reactions are summarized in Figure 10.1.

The first stage involves assessing the environment in order to make an informed decision to improve and embark on change. It has similarities to the strategic planning audit process in that it assesses:

- the current state of readiness, commitment, involvement and leadership capabilities of executive management to lead the change;
- the current state of the culture and organizational readiness to embrace the change;

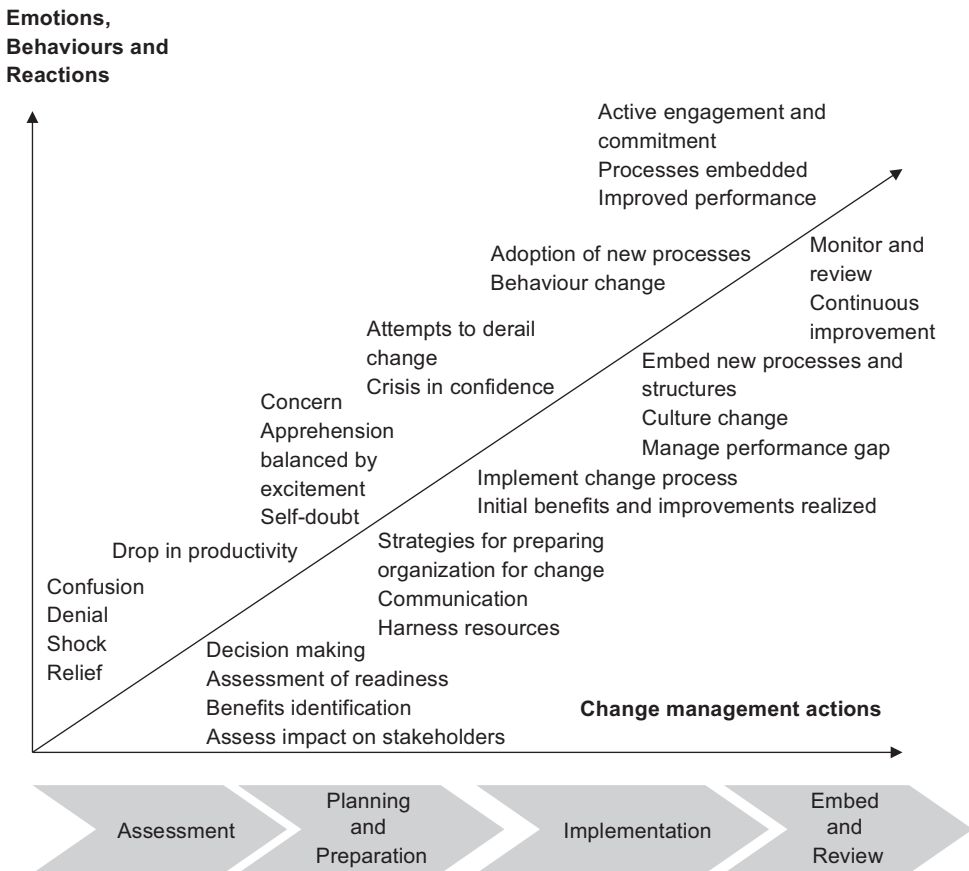


Figure 10.1 The four stages of strategic organizational change management

- stakeholders' understandings of the purpose and the value of the process;
- the availability of people, technology readiness, finances, assets and infrastructure to undertake and complete the change process;
- the impact of the change on stakeholders and their business practices; and
- the benefits of the change.

This assessment is needed as a lack of resources and commitment can severely impact the ability to change.

The second stage is the preparation or planning stage. Here strategies are developed for getting the organization ready for change and improvement and putting in place the resources to manage and implement the change process, including:

- people – training, leadership, rewards;
- organization – structure and roles, culture, policies and processes;
- information – data take-up and data conversion;
- technology and infrastructure – integration and implementation of systems;
- finances and benefits management – sources of finance, benefits identification and quantification;
- risk management;
- communications and feedback – creating awareness and understanding, commitment and ownership.

The third stage comprises the physical processes of implementing the change and obtaining the initial benefits and improvements. This includes implementing new business processes, organizational structures and behaviours. Eaton (2010:47) indicates that at this stage some things will go well and others not so well. The 'naysayers' will focus on the failures and managers will often have a crisis of confidence that may lead to early termination of the change programme.

Embedding the change and post-implementation review is the fourth stage. At this stage the full benefits of the change are realized. The stage includes monitoring and managing any performance gap between actual and desired performance. Eaton (2010:49) indicates that recognizing that things are getting better will help reinforce new ways of doing things and encourage further improvement.

Once the change has been implemented and embedded the post-implementation review of the change process and outcome can be undertaken. This allows for feedback about the process, where improvements could be made and where further changes may be required in order to complete the change process and derive the full benefits.

Enabling the Capacity to Engage in Change

Fundamental to the success of any part of change is the management of people. Different stages and types of change call for different leadership roles. The following describe leadership roles that can be used in these circumstances.

CREATING AND ENGAGING CHANGE FROM WITHIN

Like all organizations, libraries and information services now operate in continuously changing environments such that the need for leadership, innovation and building individual and organizational energy and engagement in strategic change is an everyday requirement.

True engagement in change is demonstrated where people themselves identify and suggest where change is necessary in order to enhance the quality of services or do things more productively.

Building an agile and flexible organization with the mindsets, culture, capacity and commitment to embrace and engage in change is an important leadership function. A spirit of support, cooperation, collaboration and enthusiasm needs to be created, in which people feel comfortable with the *status quo* being uncertainty. People need to see and understand the big picture – a total view of the environment where turbulence is the norm and transformational change is necessary either in anticipation of, or in response to, sudden strategic shocks.

The right people need to be engaged, especially those who have access to important information, those who can either make an impact or will be significantly impacted, those who have an authority to effect change and make critical decisions in the area of change, those with responsibility for the areas affected, and those who may oppose the change. Richard Axelrod (2002:41) has identified several questions for the leader of change to ask when engaging the right people in change. He comments that it is not the leader's role to provide all the answers to the questions, but to ensure that the answers are developed:

- What needs to change and why?
- What needs to be different in the organization?
- What are the boundary conditions?
- Whose voice needs to be heard?
- Who else needs to be here?
- How do we build the necessary connection between people and ideas?
- How will we create a community of people who are ready and willing to act?
- How will we embrace democracy throughout the process?

Inevitably new work place behaviours will be needed to propel the organization faster and more effectively to its newly aligned business goals. A sense of urgency should be created to overcome indifference, apathy and the sentiment that 'things aren't really going to be any different'. A free flow of information incorporating both the good and the bad news is a fundamental requisite so that people can discuss and make sense of change. Reid (2010) has also identified organizational barriers – such as unclear roles, structures with excessive approval levels, lack of staff and customer engagement, and risk aversion – that dampen the urge to change. Reid has also observed that highly distracted or stressed people do not and cannot innovate and change. Mental clarity, focus and creativity are needed to change and envision successful business strategies. In times of economic constraint these attributes are often drained.

Different stakeholders will be impacted in separate ways so all views of the world need to be canvassed in order for everyone to gain a complete picture of the environment in which the change is or will take place. These include perspectives of the environment by:

- stakeholders, especially on how the change may impact on their own environment and relationships with the organization;
- executives, particularly on their view of the external environment issues and impacts;
- teams, particularly on their view on the internal operational environment issues that might be affected; and
- individuals who are likely to be most affected in order to canvas their options for the future.

The involvement and contribution of ideas and concepts, emotions and values, knowledge and experience by people from all parts of the system or value chain is necessary in order that the different parts of the organization or processes are connected, and the whole system and impact is visible to those involved. It is also necessary to focus on creating a culture of change by building shared meaning and engaging participants in discussion and developing their vision of what the change means for them so that better and more coordinated outcomes can be developed. Identifying short-term wins and enabling teams to think about planning for change and creating a common language around change are also valuable change management strategies.

In building a common purpose, shared meaning and mindsets, the reason for the change and its implications should be clarified to all stakeholders in order to develop a universal understanding and commitment to the new environment. This should include exploring what needs to go right and what needs to be done differently in the new environment by both the organization as the collective entity and each individual. Past and present achievements and successes also need to be recognized and honoured, as these will form the basis upon which the future is built. People also need to be reassured that their efforts in the past have not been wasted.

Individuals will react to change in one of three ways:

- accept and support the change (active engagement);
- comply with the change in action but not in spirit (passive engagement); or
- actively resist the change (anti-engagement).

In explaining the implications of the change, some of the anticipated reactions and concerns of individuals should be addressed. Change sparks powerful emotions in people, yet at the same time people are required to make changes in their behaviours. The changes in behaviour cannot be learnt if individuals are distracted by fear, anger or uncertainty. These feelings need to be openly acknowledged and dealt with as a natural course of events arising out of the change. The need to empower individuals to manage their emotional response is as important as providing them with the necessary skills and training for the new situation. People also need to be given opportunities in which it is seen that their voice counts.

Building a critical mass of engaged and committed individuals at all levels throughout the organization is vital in setting the example, for relationship building, in sustaining the right corporate culture and mindsets, and in creating the impetus and momentum to champion the change. The faster the momentum for change can occur, whilst allowing for consultation and involvement, the more successful it is likely to be. Urgency and energy in the change processes avoid people holding on to old ways and operating in a destructive twilight zone where confusion and the part implementation of new processes serve no one well. Obstacles that prevent people from operating and thinking in new ways should be identified and removed or overcome.

Collaboration, relationship building, information sharing are all critical functions in developing a will and willingness to work together to effect change and for engaging people in change. Change agents fill a critical role in communicating and sharing information, ideas and feelings when empowering others to embrace the change. Instilling self-confidence and liberating people from old ways and old thinking are powerful mechanisms for enabling people to start making their own decisions in the new environment. Visible proof that the new environment is working by having people take action and embrace new thinking or having some 'quick wins' will provide credibility, energy and impetus for the change process.

The timing and frequency of the planned change need to be considered. Ideally, changes should be implemented at a time when the information service is least pressured and has been made ready for the change. However, this is not always possible, particularly in the case of reactive change.

MANAGING THE CHANGE CYCLE

In responding to the opportunities of the digital or virtual world, information services are undergoing profound change in the manner in which they are organized and deliver services. This has a considerable impact on the people who are involved. As change occurs, individuals and groups progress through four stages: denial, resistance, exploration and commitment. Each of the four stages has quite distinct behavioural reactions and needs to be managed in different ways. As change occurs, it is unlikely that all individuals will progress through the four stages at the same time. Figure 10.2 illustrates the four stages of change.

Stage one (denial) is characterized by individuals ignoring any signals of change or being frozen in traditional ways. They may be silent observers who neither oppose the change nor actively support it. Others may experience shock if they could not see that change was required, or relief that the inevitable had actually happened. Individuals in this stage of change require information about what the change will mean to them and to the organization,

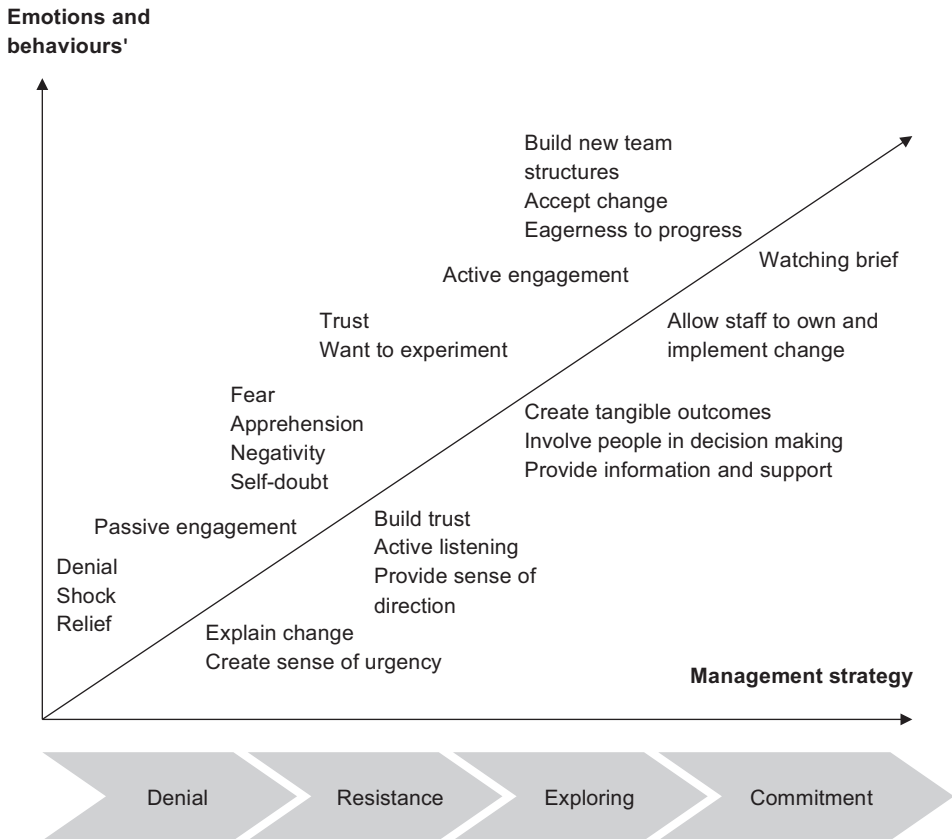


Figure 10.2 The four stages of the change cycle

a sense of urgency and pressure to move forwards with the change, and mechanisms to unfreeze their thinking and traditional ways of doing things.

The second stage of change (resistance) is characterized by fear, apprehension, negativity and self-doubt. This is often expressed in terms of sabotage, absenteeism, anger, anxiety, suspicion and cynicism. During this stage, the information services manager will need to deal with illogical arguments and hostility. The important management process at this stage is to listen with empathy and understanding, rather than to reason or argue. Active listening will help to build trust in people.

The manager may also need strong conviction for the vision and change outcome as they may be subject to personal attacks from those who are feeling vulnerable. They should empathize with staff whilst trying to reconnect them to reality and giving them a sense of direction. Staff will feel a sense of loss and require support whilst still keeping the pressure to move forward.

The third stage (exploring) is the most critical stage as it is the point of transformation. This is the stage where emotions are high, push back occurs from those who are resisting the change and some find ways to undermine the change process. Energy, persistence, drive and self-confidence are required to continue the momentum and make the changes sustainable with those who have already embraced the change, to build on the quick wins and consolidate the new change culture. Guidance, monitoring progress and mentoring will also be needed to sustain the change.

In the third stage, some people have begun to buy into the change, becoming active participants and exhibiting new behaviours. The change process at this stage relies upon people being given tangible things to do and decisions to make that reinforce their new roles and new thinking. Staff should be encouraged to acknowledge what has happened, reinforcing the positive things of the past whilst exploring the future. Individuals will still feel insecure but their hostility will be diminished.

This stage marks the formation of the new team – with new behaviours, new trusted relationships, new shared experiences and new freedoms. The information services manager should provide information and support through discussion and problem solving. People should be involved in all discussions and provided with opportunities to succeed in the new environment. To mark the transition there should be a launch of something new that signifies a change within the corporate culture. This may be a new logo, new stationery or refurbishing the existing premises.

The final stage is commitment. New behaviours are in place, diluting the power of traditional ones. Those that remain in old thinking are in the minority and have little influence. The information services manager should have a watching brief at this point, being available for consultation and concentrating where needed on making the change complete in the new changed culture. Staff should be allowed to get on with their work and own it.

Strategies for Managing Strategic Shocks

Despite having built an organizational capacity to engage readily in change, organizations will still be subject to unprecedented and sudden significant strategic shocks that result in fundamental shifts in the organization's circumstances. The 9/11 attacks on the US provide an example of an unprecedented sudden and strategic shock. They not only had an immediate global impact; they disrupted the entire airline industry and for the institutions housed in the World Trade Center, it meant that many of their people and organizations did not survive. Other organizational examples may include a rapid downsizing as the result of a merger

between two organizations, or where a totally different political philosophy is introduced overnight as a result of a change of government.

The difficulty in managing in these environments is that, as the often radical decisions are made to counter the situation, the shock waves travel through the organization. The hard task is to identify where the shock wave will be felt most and what the impact will be. Crisis conditions frequently prevail. The resulting chaos and time factors may not allow measured consideration of the impact of all decisions.

The uncertainty brought about by the magnitude and suddenness of the change needs to be managed through strong and direct leadership. Trust, consistency, the ability to make connections and make the right decision quickly and in an unwavering manner are all leadership qualities required in this reactive situation.

New roles, tasks and interim structures should be quickly put in place for the transition period. Strategic areas that are working well should be quickly identified and if possible quarantined in order to preserve and build upon their success. Areas within the information service that do not support the new direction should be dealt with immediately.

Communication and actions are central to effecting successful change, as people interpret the messages about the change according to what they hear and how they see others being treated. Even where individuals are not immediately affected by the change, they will watch with interest and interpret its effect on others. People will view the changes through their own eyes, not those of the leaders of change. So the way in which managers treat any one individual will send signals to the rest of the people in the organization. These signals can be very powerful in determining the people's expectations as to how they may be treated, valued, rewarded or penalized by the organization in the future.

The messages that people hear of changes through the grapevine and through what they are officially told by their managers may not always be consistent or correctly interpreted. It is therefore important to ensure that any actions or signals send the correctly framed message. If the message is distorted because of other political agendas, or if mixed messages are received, people will quickly become despondent and confused. The message should be simple and clearly identify what needs to be achieved by the information service through the change process. Strong internal communications and access to counselling may help individuals deal with their personal anxieties about their own and the organization's future.

OVERCOMING RESISTANCE TO CHANGE

The most desirable change situation is where there is such organizational readiness to create and embrace change that the impetus for change is built from within. However, there will be times when this cannot or does not happen and resistance will be encountered. Resistance to change is a natural process and will occur at both the organizational and individual levels. Organizations have inbuilt mechanisms that produce stability and resist change. The selection process and culture of the organization create a persona that is difficult to change. Group norms may also act as a constraint to change.

External factors such as global uncertain times also act as obstacles to change. For example Reid (2010:1) identifies that in 'uncertain times the mental clarity, focus and the creativity needed to change and envision successful business strategies are being drained'. She adds, 'In this environment team and interpersonal conflicts impede the kind of exploration and dialogue needed for innovative learning, performance and partnerships'.

However, resistance to change is not necessarily a bad thing. It can serve a useful purpose in which individual and team concerns can be aired and taken into account in bringing about a better solution.

There are a variety of reasons why individuals resist or choose not to actively engage in change. Often the uncertainty of impending change leads to anxiety, particularly in relation to people's ability to cope with a new situation. Familiarity with existing procedures and lack of psychological energy to acquire new skills or change direction add to this resistance. People often fear the thought of having to master something new and the possibility that they may not be able to do this immediately. They may argue that they are too old to learn new systems. Resistance to change can also provoke feelings of loss and uncertainty which in turn lead to insecurity.

Resistance can also occur because of an individual's previous experience in life. If the change is coloured by a previous negative encounter with a similar life experience, there will often be resistance. Change may also produce a threat to an individual's or group's self-interest or status. Their position of authority or power source may be threatened if they are placed in a situation of being dependent upon others whilst they are in a learning situation. The different perceptions in the employee's and the management's assessment of the situation also add to the resistance.

Changes in organizational structure or workplace may cause the severance of old relationships with feelings of loss and disruption to existing social networks. The promotion of an internal candidate to a more senior position may sever the close relationships that existed beforehand between the successful candidate and their peers.

Encouraging participation in the decision-making, problem-solving and planning processes can be an effective technique for overcoming resistance as it allows the affected individuals to understand better the reasons behind the change and provides an element of self-determination. Uncertainty is reduced and self-interest neutralized through the opportunity to express ideas.

If open channels of communication are established and maintained, there can be a better understanding of all parties' viewpoints and perspectives, uncertainty can be minimized and new options may be found. Even if the final solution is not the most preferable for some, the feeling of being asked for an opinion and having unenthusiastic reactions and emotions understood will minimize resistance and negative outcomes.

Training, open communication and evidence of clear, tangible benefits as an outcome of change also facilitate the change process. This includes providing opportunities for adult learning so that those affected can learn from others' experiences, become skilled at the new work practices, know more about what needs to be done differently and witness firsthand the anticipated benefits. Experiencing firsthand where and how the change can lead to positive and relative advantages for individuals being asked to change is an important factor in their readiness to accept change. The sooner the benefits are clearly apparent to those affected, the quicker and more likely people are to accept and continue the newly introduced practices.

If resistance to change continues it may be the symptom of one of two causes. Either the correct 'fit' between the change situation, change agent and persons involved has not been found, or the proposed change is a poor strategy and is not in the organization's best interest.

Unsuccessful change can be recognized by the absence of feedback, even though a feedback mechanism is available, or by strong feedback in the form of protests or complaints. A drop in productivity below that anticipated by the learning curve also indicates a problem. Likewise, withdrawal symptoms characterized by lack of cooperation, absenteeism, resignations or transfers indicate that something is wrong. When any one of these symptoms appears, it should be immediately investigated in order to isolate and correct the problem.

Conclusion

The only constant in the world today is continuous change. In this environment, change management strategies are important in order to smooth the transition of change and, importantly, to initiate and manage the change itself for the strategic advantage of the information service and its parent organization.

Organizational change is catalysed in two ways:

- as a result of an organization responding to the need for innovation and revitalization in a changing business environment, being exposed to new leadership practices, ideas and values, having a desire for business growth, or the requirement to place the organization in a more financially sustainable position; or
- due to an unprecedented and sudden significant strategic shock that results in fundamental shifts in the organization's circumstances.

The most desirable situation is for change to be energized from within. However, this will not always be the case. Both situations require leadership skills in building and shaping an agile and flexible organization with the mindsets, culture, capacity and commitment to embrace and engage in change, and to develop a commitment to action throughout the organization.

Eaton (2010:50) shows that outperforming organizations involved in implementing and embedding improvements in performance are those that have:

- sponsorship – a top-level champion that supports and advocates the change;
- engagement – gaining and maintaining stakeholder engagement;
- honest and timely communications – 'honest' being the operative word;
- culture that promotes change – a long-term focus on changing the behaviour of the organization;
- change agents – individuals with the capacity to lead the actual improvement process;
- capacity building – continuing investment in building the internal capability of the organization;
- performance measures – effective measures that are available to, and understood by, everyone;
- effective structure – an effective and flexible structure for the improvement programme; and
- incentives – robust financial and non-financial incentives.

In creating and engaging change from within people need to see and understand the big picture. A common purpose needs to be developed with shared meanings and mindsets about the reason for the change and its implications in order to develop a universal understanding and commitment to the new environment. People need to be able to discuss their concerns openly. The right people need to be engaged, especially those who have access to important information, those who can either make an impact or will be significantly impacted, those who have an authority to effect change and make critical decisions in the area of change, those with responsibility for the areas affected, and those who may oppose the change.

Resistance to change is a natural process and will occur at both the organizational and individual levels. Strategies for managing resistance to change include:

- encouraging participation in decision-making, problem-solving and planning processes;
- establishing and maintaining open channels of communication;

- understanding all parties' viewpoints and perspectives;
- providing opportunities for adult learning so that those affected can learn from others' experiences, become skilled at the new work practices, know more about what needs to be done differently and witness firsthand the anticipated benefits;
- ensuring the changes are compatible with the existing values and experiences of the individuals; and
- using change agents to facilitate and support individuals through the change.

Change that has the potential to affect the whole organization should be sold and managed quite differently to minor changes affecting one or two people. Radical disruptive change requires strong leadership capable of making quick and far-reaching decisions. In addition to good initial planning, the abilities to demonstrate 'quick wins' and maintain momentum through people acting and making decisions in the new environment are critical to implementing successful continuous change. Finally, in all instances credibility and relationship management needs to be maintained.

Business reengineering is used in times of radical changing and in challenging environments, helping organizations to rethink fundamentally the mindset or way in which they deliver their products and services in line with their business strategy. A subset of business reengineering is process change. Today this is being driven by the need to be more financially and environmentally sustainable and the always on Web 3.0 and Web 4.0 environments and other seamless service delivery initiatives that require instantaneous response and immediate feedback.

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Group Dynamics and Team Building

As a result of the need for greater flexibility and increased interactions in changing environments hierarchical organizational structures have been replaced with groups of individuals who work together in teams. Increasingly people will be working in teams that have been formed across global organizations to deliver integrated customer services or in services that have been outsourced or managed as a service. Many may be virtual. This warrants a different leadership style as the role of the team builder is not to manage people as individuals, but to facilitate the group's management of its members. The objective is to obtain a higher level outcome than would be provided by the same number of people working individually. This requires an understanding of group behaviour because people act differently when they are members of a team or group. Their behaviours will change according to their role in the team or group.

Groups

A group is a collection of people who regularly interact with each other to pursue a common purpose. There are four basic components of a group:

- it needs at least two people to exist;
- the individuals must interact regularly in order to maintain the group;
- all group members must have a common goal or purpose; and
- there should be a stable structure.

Groups can be formal or informal. Formal groups or teams are defined through the organization's hierarchy or centre on a particular task. Informal groups are based upon individual psychological need, activities and interests. Formal groups or teams are created to accomplish a number of tasks within an indefinite or definite timescale. They often relate to the organizational structure. Formal groups are created through formal authority for a purpose, as in Figure 11.1.

FORMAL GROUPS IN ORGANIZATIONS

In most organizations there will be an executive management group or team consisting of senior executives. This team will be responsible for the overall governance of the organization and considers the strategic issues confronting the parent organization. Activities undertaken by the management team include the endorsement of the Strategic Plan, the ratification of policy and the approval of the overall organizational budget.

The information services manager may be a member of this team as well as being involved in other groups in different capacities: as a supervisor, a chairperson or an ordinary

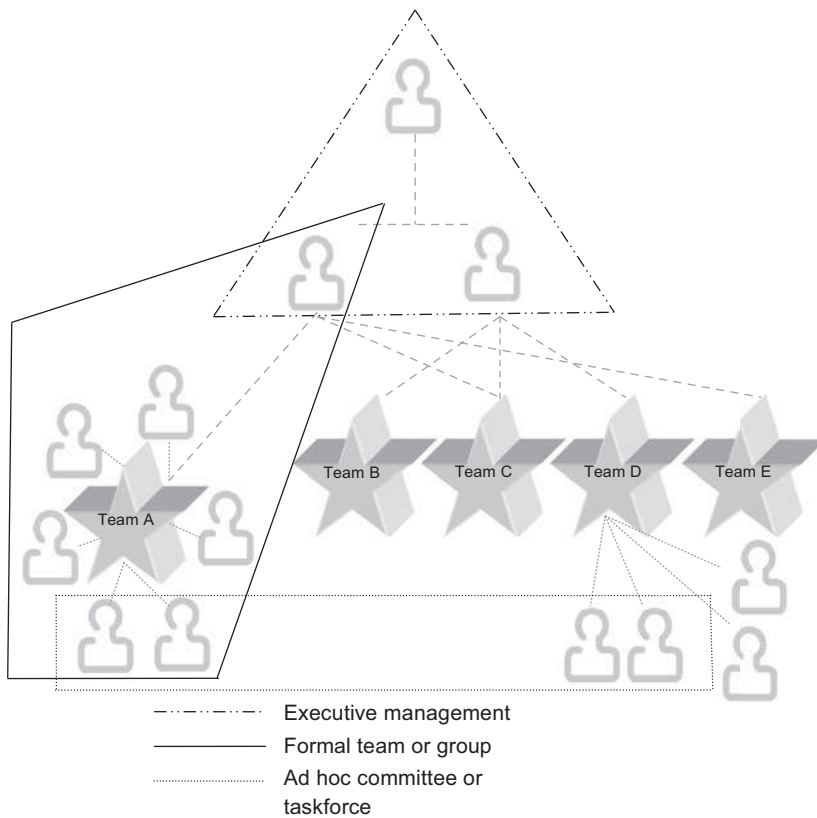


Figure 11.1 The organization as an interlocking network of formal groups

member of a team or number of teams. In these capacities they will be the link between the management team and the work teams. In addition to these, managers will also be part of an informal group network.

Work teams are the most recognized form of formal groups. They are the functional teams established to achieve corporate objectives and business outcomes. These formal teams usually remain in existence until there is some change in the organizational structure. They have clearly distinguishable line management relationships and are often identified in the formal organization chart as a work team, department or division. The size and level of the work team is scalable according to the size of the parent organization.

In some organizations the information service may be regarded as a work team. In others the research centre, branch libraries, records management section and the ICT services unit will be regarded as individual work teams, with the senior research officer, branch librarian, records manager or information technology manager being formally designated as the leader of the permanent team or work team. Work teams may also reflect the organization's clients or markets. With the rise of integrated service delivery and flexible working conditions, work teams may comprise people who work:

- from home
- in different organizations and even different countries
- virtually, that is only online.

Taskforces are project teams that are created for a particular purpose – usually to accomplish a relatively narrow task within a stated or implied timescale. They are temporary formal teams with a ‘sunset clause’. Ad hoc committees also belong in this category.

The team membership is usually specified by management, but may also comprise volunteers. They often have a designated chairperson or a formal leader who is accountable for the results. Like the work team manager, the task or project team leader should review progress at regular intervals and provide performance feedback to members of the team. The task or project team leader must have the appropriate interpersonal skills and be prepared to accept responsibility and accountability.

Taskforces are often used in a matrix style of management. The individuals forming the team have two managers: the work team manager and the taskforce manager. A dual chain of command is established.

INFORMAL GROUPS

Informal groups exist for purposes that may or may not be relevant to the organization. They emerge within organizations without being formally designated by someone in authority for a specific purpose. Each member chooses to participate without being told to do so. As they are formed through a common interest, the activities of the group may or may not match those of the organization.

Informal groups can be a powerful organizational force. The identification of the leaders of the informal groups may provide insight into the politics, power and authority within the information service and its parent organization. Informal groups can coexist with formal groups in an attempt to overcome bureaucratic tendencies or to foster networks of interpersonal relationships that aid workflows in ways that formal lines of authority fail to provide, as in Figure 11.2.

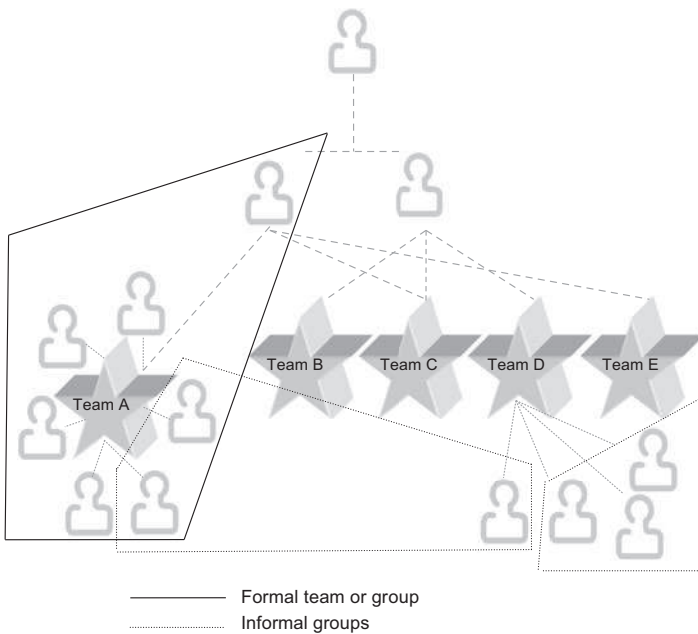


Figure 11.2 Formal and informal groups in organizations

The formation of an informal group is often a healthy sign of comradeship and is not necessarily an indication that there is anything wrong within the organization. Social or friendship groups are often formed within organizations across formal work team boundaries for the purpose of sharing a common interest. Informal groups help individuals satisfy shared needs or may be used to provide alternative support to the formal team affiliations within the organization. The choice of informal group may be based on interpersonal attraction, an interest in the group's activities such as sport or chess, generational differences, or an interest in the group's goals such as environmental sustainability.

STAGES OF GROUP DEVELOPMENT

After a group has been created, either formally by the organization or by group members, it will spend time developing. Group development occurs in four stages: forming, storming, norming and performing. These stages do not occur as discrete steps but are usually quite discernible because of their distinct activities and need for different management techniques, as in Figure 11.3. The passage of time between the stages of group development will differ according to the timescale set for the outcome.

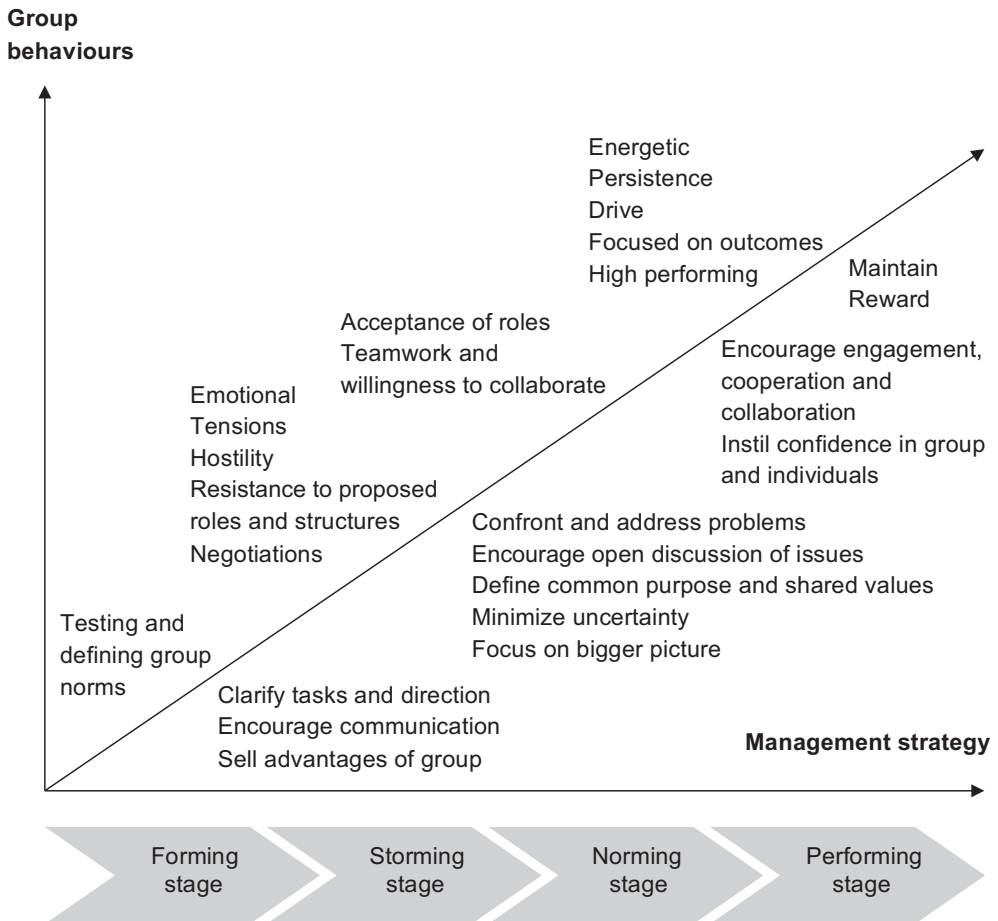


Figure 11.3 Stages of group development

The forming stage

The forming stage occurs as individual members of the group become acquainted with each other and begin to test which interpersonal behaviours are acceptable and which are not. Group boundaries and group rules are defined. The real task of the group is clarified.

The forming stage usually takes place at the first meeting of the group. Typically, the different members of a group describe their background and personal interests in the group's goals. This serves to define a common purpose and shared values. The members of the group could be drawn from many different work units within the information service, the parent organization or from other organizations. As such, they are often not aware of the role and potential of the other members and where their expertise and values can be shared. Members may act aloof until they become aware of some shared meanings and each other's needs. As they become aware of each other, they achieve higher levels of interaction and mutual identification in pursuit of the common purpose.

The management roles are to clarify tasks and direction for the group, the reasons for its formation and outcomes envisaged, whilst creating a sense of urgency. Communication should be encouraged as members explore the roles, responsibilities, norms and values of different members in the group.

The storming stage

The second stage (storming) is usually highly emotional, involving tension among members and periods of hostility and infighting. Each member wishes to retain their individuality and may resist the structure that is emerging. Interpersonal styles are clarified and negotiations take place in an effort to find ways of accomplishing group goals whilst satisfying individual needs. Gradually a group leader emerges. Attention is paid to items that prevent the group's goals from being met. In practice, the storming stage is the stage where problems are confronted, criticism is made and discussion becomes more open.

The management role in this stage is as a facilitator, enabling members to confront, work through and overcome the problems associated with change, the proposed structure and individual roles. In assisting individuals to cope with change and to encourage new ideas, discussion and exploration of new solutions should be promoted. Purpose and direction should be further clarified to minimize uncertainty and to share the vision or bigger picture.

The norming stage

The third stage (norming) begins the integration process. Each person begins to recognize and accept his or her role and those of others. The group becomes more cohesive, adopting group norms that serve to regulate individual behaviour in order to achieve the group's goals. The group begins to be coordinated and teamwork emerges. Harmony is emphasized and minority viewpoints are discouraged.

As group harmony and teamwork develop, the role of the manager is to encourage collective engagement, cooperation and collaboration. Confidence in the group's and individual's contributions may need to be reinforced and direction fine-tuned.

The performing stage

Performing is the final stage of group development. The group is totally integrated and is able to focus on the situation at hand. It functions well and can deal with complex tasks through the interaction that occurs. The structure is stable and members work as one unit.

In this stage, the group should be left to perform, with encouragement, support and rewards being openly given.

GROUP COHESIVENESS

Group cohesiveness is the extent to which members of the group are attracted to each other and to the team as a whole. Highly cohesive teams occur where members are attracted to each other, accept the team's goals and help work toward meeting them. Cohesion is likely to be higher in teams where members share similar attitudes and needs. Teams based on a particular expertise are usually cohesive because they share common professional values and attitudes. Not all cohesive groups are productive for the organization. Some groups can inflict considerable harm if their goals and values are contrary to those of the parent organization.

Group cohesiveness can be increased through intergroup competition, having supportive management, through personal attraction amongst the team, by rewarding the team rather than the individuals, by frequent interaction and by agreement on the team's goals. Group cohesiveness can be decreased by competition within the team, by the domination of one party, by disagreement on the team's goals and by team size.

As the size of the team increases, the number of possible relationships between its members increases. This leads to the need for increased communication and coordination amongst the team members. It also leads to the development of subgroups that may be damaging to the overall team's cohesiveness and its associated productivity. Smaller teams enable members to interact more frequently and increase their cohesiveness. The optimum number for a team is between five and seven people.

GROUP MEMBER ROLES

A role is a typical behaviour that characterizes a person in a social context. As members of a group, people play different roles. Their behaviours will change according to their role in the social structure of the group. One of the communication tasks in life is to understand the role that a person is playing when they exhibit certain behaviours. David Barry (1991) has identified four leadership roles and behaviours that fall into four broad clusters and which are readily found in teams:

- The envisioning role involves the facilitation of idea generation and innovation, defining and championing goals, as well as finding conceptual links between systems. Envisioning leaders often have trouble functioning in a group, preferring to invent and create independently. Sometimes they continue to provide new ideas after the group has committed itself to specific actions. The true role of the envisioning leader is to help others to see the vision in order to foster group ownership of the ideas.
- The organizing role brings together the disparate elements that exist within the team and its tasks. Such people focus on details, deadlines, time, efficiency and structure. They often work within a few well-chosen solutions. Whilst it is a necessary role in keeping the group from straying off the task, it can be counter-productive when a completely new and innovative direction is needed.
- The spanning role includes networking, presentation management, developing and maintaining a strong image with outsiders, intelligence gathering, locating and securing critical resources, bargaining, being sensitive to power distributions and being politically astute. Spanning leaders' natural tendency is to circulate outside the group environment.

They can also be self-centred. To compensate for this, the spanning leader should provide the group with a constant source of reality checks, ensuring that the outputs of the team are well received with others in the organization.

- The social role focuses on developing and maintaining the team from a social-psychological position. People playing this role show concern for individuals and ensure that everyone has their views heard. They are sensitive to the team's energy levels and emotional state. They provide encouragement and reinforcement and are able to mediate conflicts.

Several terms also exist to describe the various facets of roles. The expected role is that which the other members of the group expect from an individual. The perceived role is what the individual perceives the role to mean. The enacted role is what the individual actually does in the role. This then further influences the expected role. By rights, these three roles should be congruent. However, this may not always be the case and leads to role dilemmas which occur either through uncertainty, role conflict, role overload or role underload.

Role dilemmas are a normal part of life. However there are limits to which people can cope with role dilemmas. If these limits are reached and left unchecked, they can become sources of internal tension or frustration. They may also result in job disenchantment or dissatisfaction, poor performance and a high staff turnover. The following provide examples where role dilemmas cause individuals to act or exhibit behaviours that are inconsistent with their normal behaviour.

Role ambiguity

Role ambiguity results when there is some uncertainty in the minds of either an individual or members of a group as to precisely what their role is at any given time. If an individual's conception of their role is unclear this can lead to role ambiguity even if it is clear to others. The use of job descriptions can help to overcome role ambiguity in an organizational sense.

Role conflict

Role conflict occurs when the appropriate behaviours for enacting a role may be inconsistent with the appropriate behaviours for enacting either another role or other requirements of the same role. The expectations of each role may be quite clear and the expectations compatible for each role, but the roles themselves may be in conflict.

Role conflict is generally categorized into two types, inter-role and intra-role conflict. Inter-role conflict is found where there are incompatible demands of two or more different roles being played by the same person. The need for the information services manager to act as service provider and policy maker may cause an inter-role conflict. In intra-role conflict contradictory demands within a single role are perceived by an individual. This might occur where the information services manager may have to cancel the annual leave of a staff member whilst recognizing that they have been overloaded with work and need a break.

Individual-role conflict occurs where a person is asked to fulfil a requirement that is against their own values, attitudes or needs. Such an example may be where the librarian must avoid acting as a censor and so is forced to stock material that is in conflict with some very strong personal beliefs.

Role conflicts may sometimes be eased by reducing the importance of one of the roles, or by compartmentalizing the two roles so that they do not overlap. It is important to take steps to reduce the conflict as role conflict is recognized as a source of stress and poor performance.

Role overload

Role overload occurs when expectations for the role exceed the individual's capabilities. Individuals are required to perform more roles than they originally envisaged or have the capacity for. An example may be where a person is required to be a decision maker in a complex and changing environment, but they have a low tolerance for uncertainty. Role overload should not be confused with work overload.

Role underload

Role underload occurs when an individual feels that they have the capacity to handle a bigger role or greater set of roles than is assigned to them. Role underload may be overcome by assigning additional roles or by delegating tasks and responsibilities.

Both role overload and role underload can be the outcome of a position being filled by someone who was incorrectly advised about the job at the interview. An unrealistic assessment of a position during the interview situation may lead to role overload or role underload and a person's subsequent dissatisfaction with the job.

GROUP NORMS

Group norms are standards of behaviour that the group adopts for its members. These are informal rules that enhance the group's structure and reinforce a certain degree of conformity among group members. Norms differ from organizational rules in that they are not written. They are subtle standards that exist and regulate group behaviour.

Group norms are established during the third stage of group development. They are created through a series of actions by individual members and the others' responses as a group. The ways in which the responses are made provide the basis for the norm. The norms that survive are those that produce the most successful outcomes. The norms are reinforced through their success in positive problem solving and in integration. Gradually it is assumed that if a norm is followed, success will result. As a result, norms are followed unconsciously.

Norms help groups avoid chaos and influence behaviours. They can be:

- performance related, such as identifying levels of daily work output or appropriate channels of communication;
- social related, such as how to address senior management in public, or acceptable levels of course language;
- behaviour related, such as setting standards of integrity, quality of service and professionalism; and
- appearance related, such as setting standards of dress.

As norms can have either a positive or negative influence on both the group's and the organization's productivity, it is important that positive norms are supported. Positive norms can be supported by rewarding desired behaviours and by monitoring performance and providing feedback regarding the desired and undesired behaviours.

Effective Team Building

Team building involves all of the leadership and facilitation skills that are required in extending individual performance and applies these to the team. This includes the development of interpersonal relationships within a team so that members share information and

experiences so that they can collectively set goals and outcomes to be achieved. The team builder will also need to facilitate mechanisms for managing expertise for the collective good and identifying the roles that each team member will play.

Whilst this sounds straightforward, it may not be easy. Most people value their individuality and independence, taking responsibility for their choice of assignment and their own outcomes within the organizational context. They may be content to work in a group but usually expect to be assessed and rewarded on their individual performance. Teamwork changes this as work and results are shared. The team is assessed on its collective outcome. It can even be promoted in this way. Team members jointly decide upon the choice of assignment, how the task will be accomplished, and their goals and rewards within the context of the overall environment.

With matrix structures the team builder has to get people to communicate, collaborate and work across teams and to align their goals and responsibilities to the service as a whole, rather than to their personal goals or that of a single team. The level of complexity in this task accelerates in the case of virtual teams. Here the team builder will be supporting people who rarely or may never physically work alongside each other but who communicate and collaborate through online collaboration and social media tools.

In the early stage of building teams, the builder has to balance the need to address concerns about individual loss of independence and control whilst building support for team decision making. Multi-skilling and changes to differentiation between professional and non-professional staff are some of the issues to be considered in building teams in information services.

Teamwork builds upon the principles of process reengineering in that the whole of the activity associated with the provision of the service is managed within the team. Consequently, the team builder has to improve the coordination between team members and have the members of the team work together to deliver outcomes.

In information services, teams can be established to provide specialized services to specific client groups, where all team members are involved in planning, customer relationship management and supplier liaison. These may include self-managing work teams that consist of highly motivated specialists who do not have a formal hierarchy. They bring a variety of skills that they collectively use to deliver end products and services. They value the ability to operate independent of managers, being given a high degree of self-determination in the management of their work.

The success of teams rests on there being very high levels of trust and openness between the team members. Training is also essential to equip all team members with the necessary skills to carry out their cross-functional tasks and to address and manage interpersonal conflicts should they arise. Ensuring this is an important leadership role. Team members should be encouraged to discuss their perception of the situation and what is required of them as a team and in their individual roles.

The team builder needs to be competent at recognizing and resolving conflict. Negativity should not be allowed to grow to the extent where it can weaken the team's cohesiveness. Individual negativity can grow if attention is paid to it, so a judgement call needs to be made as to the reason and whether it is initially best ignored. In this instance, attention should be focused upon the positive energies of the team. If the negativity continues to the extent that it has the potential to be destructive, then the source of the negativity should be openly discussed and dealt with.

Teams also develop a culture of self-discipline. They develop group norms and values and work within these to exercise control over individuals without harming their egos.

High-performing team members care about the success and growth of others. In this way, teams can be a very supportive mechanism during times of stress and crisis.

In enhancing performance and quality, team communications and team building should encourage employees to review one another's work and suggest alternative ways of doing things. Working properly, teams can be highly creative and innovative in their provision of service and identification of solutions to issues.

MANAGING VIRTUAL TEAMS

The global and virtual business world is resulting in projects and their respective teams being dispersed across geographic locations and spanning different time zones. Such teams also consist of people with different cultural backgrounds, languages spoken and diverse value systems. In addressing these issues, Siebdrat et al. (2009:64) found that collaboration across distances was more difficult than in a co-located environment. Potential issues include difficulties in communication and coordination, reduced trust and an increased inability to establish common ground.

Whilst the regular physical presence of co-workers improves people's feelings of familiarity and fondness, physical distance decreases closeness and affinity, which then leads to a greater potential for conflict. Distance also brings with it other issues, such as team members having to negotiate different time zones and requiring them to reorganize their work days to accommodate others' schedules. On the plus side Siebdrat et al. (2009) list the exposure of team members to heterogeneous sources of work experience, feedback and networking opportunities as well as enhanced problem-solving capacities by bringing more vantage points to bear on projects and service delivery.

Managing virtual teams is more effective where processes are put in place that increase levels of mutual support, member effort, work coordination, balance of member contributions and task-related communications. Beyond having task-related processes, Siebdrat et al. (2009) found that organizations must also ensure that team members commit to the overall group goals, identify with the team and actively support the team spirit. Social-emotional processes are important in minimizing interpersonal differences that can affect a team's social stability because of the greater difficulty in resolving conflicts across geographic boundaries. Social processes that increase team cohesion, identification and informal communication help to establish and maintain interpersonal bonds that enable a group to better cope with conflicts.

In recruiting team members, those with strong social and teamwork skills should be considered rather than their expertise and availability. Siebdrat et al. (2009) also believe that beyond social skills, managers need to ensure that dispersed teams have broad-based leadership capabilities. Members need to be aware of the difficulties of dispersed collaboration and find effective ways to overcome these obstacles on their own. This highlights the need for people to be more self-sufficient in how they manage their own work because the team leader is in less of a position to help.

Where possible, periodic face-to-face meetings are effective in initiating key social processes. This will encourage informal communication, team identification and cohesion. Finally Siebdrat et al. (2009) indicate that having a global mindset, in which people see themselves as part of an international network, helps provide an environment that is conducive to virtual teams. Temporary staff assignments at foreign locations and intercultural training can assist the development of this mindset. Practices such as these advance the development of diversity-friendly attitudes and the ability to work in different contexts, which in turn help team members cope with the challenges of distance.

MANAGING INTERTEAM CONFLICT

Interteam conflict occurs when members of a group or team perceive that they are being prevented from achieving their team goals by the actions of another group or team. Most interteam conflict in organizations occurs between work units or departments. This may be linked to differentiation in expertise or cultures. For example, technical support staff may feel that they are prevented from giving a good service to clients because of requirements by the finance or treasury department that all costs and work charge outs are documented in a time-consuming fashion.

Conflict may also occur between hierarchical levels over issues of power, authority and control. Proposed takeovers or mergers of teams or departments will lead to conflict on a hierarchical basis and on a horizontal basis for power and control.

Due to the differences in the technologies, values, work tasks and individuals' attributes in teams within large information services, some interteam conflict or rivalry will be ongoing. Such conflict will be productive by increasing team cohesiveness and output. It is a necessary part of subcultures within organizations. However, when conflicts emerge above the subculture level and become destructive or damaging to performance, managerial action should be taken.

In a major conflict situation, the cohesiveness of each team or department will increase, whilst communication between the conflicting departments will tend to decrease. The team that loses the conflict will find that it will also lose its cohesiveness. It is advantageous with any major conflict involving teams or departments that the issues are resolved quickly and in such a way that each party gains. A win-win situation can be achieved by skilful negotiation and setting a superordinate goal, that is, one that has to be achieved by the cooperation of both teams.

Conclusion

The need to be responsive to changing and complex environments has acted as a catalyst to the widespread utilization of teams or groups to achieve corporate objectives and business outcomes. Formal groups are created through formal authority and usually comprise:

- an executive management team
- work teams
- task forces or project teams that perform specific tasks.

Individuals will also join informal groups that serve a personal interest and comprise like-minded people. Informal groups exist for a purpose or common interest and emerge within organizations without being formally designated by someone in authority for a specific purpose. The activities of the informal group may or may not match those of the organization.

As groups develop, they assume certain characteristics of group cohesiveness, group norms and member roles. This occurs through the four stages of group development:

- The forming stage occurs as individual members of the group become acquainted with each other and begin to test which interpersonal behaviours are acceptable and which are not. Group boundaries and group rules are defined.
- The storming stage is usually highly emotional, involving tension among members as each member wishes to retain their individuality and may resist the structure that is

emerging. Interpersonal styles are clarified and negotiations take place in an effort to find ways of accomplishing group goals whilst satisfying individual needs.

- The norming stage begins the integration process. Each person begins to recognize and accept his or her role and those of others. The group becomes more cohesive and adopts group norms in order to achieve the group's goals.
- At the performing stage the group is totally integrated and is able to focus on the situation at hand. Members accept the team's goals and help work toward meeting them.

Members of a group play different roles and their behaviours will change according to their role in the social structure of the group. Effective team building requires an acknowledgement of these roles and involves all of the leadership and facilitation skills that are required in extending individual performance whilst applying these to the team. The success of team building rests on there being very high levels of trust and openness between the team members and ensuring this is an important leadership role. The team builder also needs to be competent at recognizing and resolving conflict.

Finally interteam conflict also affects the cohesiveness and success of teams. Most interteam conflict in organizations occurs between work units or departments which may be linked to:

- differentiation in expertise or cultures;
- issues of power, authority and control; or
- differences in the technologies, values, work tasks and individuals' attributes in the teams.

Interteam conflict can increase competition and group productivity. However, like all forms of conflict it may have an adverse effect upon the performance of individuals and the information service. Therefore it is advantageous with any major conflict involving teams or departments that the issues are resolved quickly and in such a way that each party gains.

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12

Effective Negotiation and Conflict Management

Effective negotiating and conflict management are two necessary leadership skills that are required to sustain the equilibrium of an organization in rapidly changing and complex environments. The ability to negotiate effectively is a critical component in the leadership task of managing change and transforming organizations. For example it is used in:

- strategically engaging and influencing stakeholders on aspects relating to the future of the organization, for example in high-level contract management or negotiations with financial institutions to obtain finances for the rapid expansion of the organization;
- managing and minimizing the effect of change-induced conflict on individuals and within groups;
- managing relationships between the organization and its customers or other external stakeholders; and
- implementing decisions brought about by significant change and transformation.

The need for negotiation as part of conflict and change management is inevitable when:

- people feel threatened or confused either by external forces or by internal adjustments;
- there is a disagreement about a course of action;
- there are differences in expectations such as in product quality or service delivery; or
- there is opposition or competition between individuals or groups, or within an individual or a group such as for scarce resources.

Effective Negotiation

Negotiation is a process in which two or more parties try to reach an agreement through compromise, persuasion and collaboration on matters where there are both common and conflicting goals. Whilst compromise is the cornerstone to negotiating, effective negotiation uses both compromise and collaboration. Collaboration enables the realization of common interests, whilst finding the middle ground on conflicting interests. Effective negotiating should result in shared meaning between the parties, that is, the convergence of values, views, attitudes, styles, perceptions or beliefs to enable a common view or action.

In using the tools of collaboration and compromise, negotiators have to strike a balance between being steadfast in their desires for certain outcomes whilst allowing concessions and being sufficiently cooperative with the other party to allow negotiations to take place. This is particularly true when personal interests or conflicts are at stake as emotions are prone to be far more volatile in these situations.

Willingness to accept trade-offs between short- and long-term gains is also important in order to effect a workable outcome. This is particularly true when negotiating the implementation

of a decision or resolving conflict where it is necessary that the parties continue to work with each other after the event. In some situations, negotiators must be willing to give up more than they would like in order to obtain a preferable long-term outcome. The result may be a less than perfect solution for the conceding party, but in the longer term faces may be saved and important working relationships preserved. A further positive outcome will be that the parties understand a good deal more about each other than they may previously have known.

Leigh (2009: 152) identifies four classic negotiation mistakes, they are:

- not bothering to understand the other side's problem and their interests – addressing and understanding these are ways of solving the issue that is at the centre of the negotiation process;
- making price dominate everything – focusing exclusively on price can turn a potentially cooperative process into an adversarial win/lose one;
- neglecting the best alternative – sometimes it is better to walk away from the process; and
- skewing the vision or misreading the situation which may lead to negotiation errors.

THE PROCESS OF NEGOTIATION

The first stage

The initial meeting of the parties establishes the climate that prevails during the ensuing negotiations. The atmosphere created in the first few minutes of the meeting and greeting stage is critical. Tensions need to be relaxed so that common sense prevails, rather than outright confrontation. Non-verbal clues such as eye contact, posture, gestures and patterns of movement will add to the feeling of the meeting.

The first meeting is usually devoted to establishing the bargaining authority possessed by representatives on both sides. If the parties are unknown to each other, a 'pecking' order will be established and personal interactions developed. The negotiating rules and procedures will also be determined. This stage may be omitted where all parties are known to each other as the negotiating rules and procedures will be well established.

The second stage

The second stage is characterized by each side attempting to consider the opponent's position without revealing its own. Each side will try to avoid disclosing the key important factors in their proposal in order to avoid being forced to pay a higher price than is necessary to have the proposal accepted. Negotiators will also attempt to get greater concessions in return for granting those requests that their opponents want most.

The proposals may be discussed in the order of their appearance on the agenda or in some other sequence. The sequence in which they are discussed may also be a subject for negotiation. If the discussion of the most important issues is deferred until last, this can often serve as leverage for gaining agreement on more minor issues that precede the important ones.

The settlement

A process of haggling, bargaining, and settling then begins. The proposals are resolved at a stage when agreement is reached within the limits that each party is willing to concede. The agreement is then ratified. In settling and ratifying the agreement, all the points and concessions of the agreement should be summarized and all actions accounted for. A record should be produced that accurately reports what was achieved. Finally, responsibility should be allocated to individuals or groups for the implementation of the agreement.

Conflict Management

Conflict has traditionally been viewed as destructive – a state of affairs to be suppressed or eliminated. Managers now realize that conflict is inherent in complex and changing environments and that negotiations should focus on resolving those conflicts that have the potential to affect the equilibrium of the organization. In many instances conflict is a sign of a healthy organization. Conflict of a competitive nature generally leads to improved organizational performance. Throughout history, potentially damaging encounters with natural and physical sources have led to the adaptation of a species, race or community that has been essential for its growth and survival. In a corporate context these encounters and adaptations can be experienced by individuals, teams or the whole organization and result in changes and solutions that are creative or innovative. For instance, budgetary pressures can lead to redesigning services that are new and imaginative.

Conflict is a source of intelligence and feedback to management as it brings issues to the surface. Under stress, individuals are more likely to express their real feelings or problems, which makes it easier to identify and resolve the real issues of concern. As part of the negotiation process in resolving the conflict, issues can be addressed that otherwise may never have surfaced.

Not all situations of conflict require management involvement and negotiation. Some conflict should be left to run its course. Minor conflict can act as a safety valve preventing pressure from building up to the point where it is destructive. For example petty complaints are often examples of tension release. Conflict can serve as a unifying function within a group. Internal differences are often overcome when a group is faced with an external source of conflict. For example, in a financial crisis or if a merger is mooted, people will work more closely together to sustain the organization through the bad times, or in terms of the merger, to be the dominant force in the new organization.

SOURCES OF ORGANIZATIONAL CONFLICT

Individuals and groups have two drives: to maintain psychological equilibrium and harmony and to actualize their potential. Conflict arises when an individual or group perceives either a threat or opposition to one or both of these drives, when two antagonistic drives or needs have to be satisfied simultaneously, or where there is a tendency to simultaneously accept and reject a course of action.

Conflict is inevitable in changing environments and in situations where there is competition for the use of scarce resources such as in the preparation and finalizing of budgets, industrial relations negotiations, contract management and policy development and implementation. Other sources of conflict include the organizational differentiation, uncertainty about change, organizational growth, role expectations, communication channels, interpersonal relations and behaviours, personal interests of individuals or groups, physical separations and the dependency of one party on another.

Organizational differentiation

The greater the differentiation between the values and workplace situations of teams or work groups, the greater the likelihood of conflict and the need for mechanisms that will integrate these groups. This is particularly true for individuals working in teams in information services who undertake different kinds of work, often in different locations, and which often require different time horizons, values, goals and management styles. In the case of virtual or trans-national teams, some members of the team may never physically meet.

Opportunities for conflict and the misunderstanding of values and personal situations also occur when:

- there is flexibility in the workplace that is not well managed;
- integrating services such as combining cultural services to deliver one-stop customer services;
- there is an expectation by global organizations that very different groups or work units will integrate their efforts towards accomplishing organizational objectives without having given due regard to understanding their cultural differences; or
- groups of people either work together virtually, are physically separated by location or shift work, or have to work rostered hours in order to support customer services.

Uncertainty about change

Complexity and continually changing environments bring about uncertainty and repositioning that will inevitably lead to conflict between individuals or groups as each strives for their continued existence and new order in the changed circumstances. The knowledge that new skills will have to be learnt or alternatively may be acquired through external recruitment, together with uncertainty and a concern for their future will leave some individuals feeling vulnerable.

Where the future is certain, activities are routine and predictable. In constantly changing environments that are typical of today, the basic rules and regulations are no longer relevant. As a result, conflicting opinions may arise as new problems have to be solved and new systems and policies are established. Conflict can also arise where the new policies, structures, practices and procedures are not in the main interests of some of the parties. This is particularly so where a new structure changes the sphere of influence or removes the decision making or responsibility from one of the parties.

Organizational growth

For similar reasons to uncertainty brought about by change, conflict can also arise through organizational growth. As information services grow to meet new service needs, new systems and policies evolve that govern tasks and behaviour. Communication and reporting channels may change as additional levels, functions or groups are created. Conflict will arise as individuals and work units vie to assume the higher positions in the hierarchy and either gain or lose their levels of influence as an outcome.

Competition for resources

Resources that are scarce and in demand, particularly in times of constrained finances, or determine the interdependence and independence of teams or departments are another source of conflict. Teams or groups that have to share resources such as motor vehicles or photocopiers may require them simultaneously, resulting in conflict over ownership where one party may seek to impose their systems or requirements on others. To overcome this, units may strive for their independence, thereby creating further tensions and conflict as they demand their own. The perception that teams 'own' their vehicles or equipment, rather than seeing it as a corporate resource, often exacerbates the reluctance to share with others.

Professional terminology

The use of acronyms and specific terminology associated with an area of expertise can lead to distortion and conflict as they are not always recognized or interpreted by others in the

same way. Likewise, technical terminology or acronyms that describe events or objects can also threaten people who do not understand their meaning.

Table 12.1 outlines some mechanisms for identifying any underlying conflict or for bringing it to the attention of the information services manager.

SOURCES OF PERSONAL CONFLICT

At any point in time in organizations there will be individuals who are faced with personal conflict, the source of which may or may not be from within the organization. For example, there may be a conflict of interests between an individual's professional values and organizational demands, or the individual may be dealing with a health matter that interferes with their ability to concentrate on their work.

It should be noted that in this chapter "conflict of interest" relates to conflicts of a personal kind and is not used as a term to describe a situation arising from conflict between the performance of public duty and private or personal interests which could place public confidence in the integrity of an organization at risk. Information on conflict of interest in an ethical setting is found elsewhere in the book.

Conflicts of interest in a non-ethical setting can arise where an individual experiences a dilemma in balancing their time and priorities to meet the needs of the job, to have a

Table 12.1 Mechanisms for identifying conflict in organizations

Conflict identification mechanism	Description
Grievance procedures	Formal grievance procedures enable dissatisfaction to be communicated to management through official channels. The process assumes that the individual has the courage to complain and to make a formal approach in addition to there being objective and independent people who can be approached. Grievance procedures are most effective when appropriate confidentiality can be assured and where appropriate training in managing grievance processes is provided.
Observation	Interpersonal sensitivity, listening and direct observation can often identify interpersonal or intergroup conflicts. Conflicting motives are usually apparent when clashes between individuals or groups occur or work output deteriorates.
Internet grapevines and suggestion boxes	Grapevines and suggestion boxes on corporate intranets, social networks, chat or instant messaging can be used as gripe boxes enabling issues to be identified and resolved quickly. Monitoring is important to ensure that individuals are not unduly targeted or defamed, to manage sensitive, private or delicate issues, and to respond quickly with objective answers. Anonymous suggestions should also be allowed.
Open door policy	An open-door policy is an effective means of creating an open environment where conflict can be identified and resolved.
Exit interviews	Exit interviews provide employees with the opportunity to discuss sensitive matters when they have no further affiliation with the organization. However, if unfortunate situations have led to the resignation of an employee they may not be willing to discuss their dissatisfaction for fear that this may affect a future job reference. The interviewer should be impartial and stress the positive outcomes of the exit interview for resolving future conflicting situations.

home life and care for dependants, to further a professional career, and to pursue personal interests – all of which are important. The conflict may be identified through feelings of guilt or being pressurized to give more attention to one aspect of life than another.

Role conflict also occurs where the information services manager has to compete vigorously for funds with other managers during budget deliberations, yet needs to cooperate at all other times with these as peers.

Identifying personal conflict

When faced with conflict an individual's natural instinct (which is common to all living things) is to react through either 'fight' or 'flight'. Either method of conduct is an attempt to adjust to the conflict situation. So to assist individuals to adjust to conflict and substitute acceptable and efficient attitudes and responses, there needs to be an understanding of what lies behind their conduct.

If a reliable staff member suddenly begins to act unpredictably, his or her actions may be a symptom of conflict. The cause or source of conflict may not be within the information service, but its effect will most certainly be felt there. In such a situation, it is the manager's responsibility to try to help resolve the conflict either by providing advice or by referring the individual to an appropriate source of advice. If the source of the conflict lies within the information service's control the manager must help resolve the issue. If the source is beyond the manager's control, the manager can choose whether or not to be involved. However, the manager's involvement becomes essential when other staff begin to be affected.

Fight or aggression can be identified by negativism, dominance, displaced anger or hostility. A member of staff may be contentious for no apparent reason or rebellious without cause. Some individuals may become uncharacteristically domineering towards their peers or fellow workers; or instances of anger will be levelled at colleagues rather than management. Others may become sarcastic, or make cutting comments or criticize. All of these are symptoms of an underlying conflict that must be resolved.

Flight can be identified by absenteeism or apathy. A staff member who suddenly begins to arrive late for work or absents themselves from others by being aloof or refusing to become involved is using flight as an escape mechanism from a source of conflict. Other examples of flight are daydreaming and absent mindedness, an overindulgence in food, substance abuse or continual tiredness.

Occasionally other adjustments to conflict are made. The individual may establish defence mechanisms or perform attention-getting activities in an effort towards self-deception. Compensation tactics may be used in order to reduce the sense of uselessness. The individual may substitute satisfaction in one kind of achievement for the lack of it in another. For example, the person may put more personal energies into sporting activities than their work.

A less well-adjusted form of compensation is used when an individual will bask in the reflected glory of another. Individuals may also push the blame on to someone or something else, such as the boss or a personal computer, or attribute to others the faults that really reside in themselves.

RESOLVING CONFLICT

The effective resolution of conflict is critical in ensuring that a potentially damaging situation is turned into a positive outcome for all parties. There are various methods and styles for resolving conflict. Some are more effective than others. In most instances, it depends upon the conflict situation. If the changes in an individual's behaviour are temporary and subtle then the individual should be offered understanding and informal support. However, where the individual's or group's actions and behaviours begin to affect the output of others the conflict will need to

be formally resolved. It is also important to note that conflict might also become apparent and need to be resolved through communication channels such as emails and social media.

Most conflict resolution methods involve a process of negotiation. Negotiations are not only needed in a manager and team member situation, they are required in peer-to-peer debates and in resolving differences in opinions and expectations between the organization, customers and other external stakeholders.

Conflicts are often resolved in three ways, win-lose, lose-lose or win-win. The results or outcomes of the first two are not always desirable.

Win-lose methods

In win-lose methods one party inevitably wins and the other inevitably loses. Win-lose methods constitute an authoritarian approach to conflict resolution as legitimate or coercive power is often used to bring about compliance. The dominant party will pursue their own outcomes at the expense of others, and the other party will be forced into submission, often by the use of threats. In organizations, majority rule and the failure of the managers or team leaders to respond to requests for change are also considered to be win-lose methods.

Whilst win-lose methods may prove satisfactory to the winner they can result in resentment and have negative effects on future relationships and the performance of individuals and the organization. Win-lose methods can sometimes lead to grudges or retaliatory action that may cause a further breakdown in the relationship and the associated loss of control will affect work output. Respect for the other party will be diminished.

Lose-lose methods

Lose-lose methods leave no one entirely happy. One such method is the compromise. This is based on the assumption that half a solution is better than none. Another lose-lose strategy involves side payments. One party agrees to a solution in exchange for a favour from the other party. A third strategy is to submit the issue to a neutral third party. The results of this action may be disappointing as arbitrators frequently resolve issues at some middle ground between the positions held by the disputants. Although each gains something, the outcome is rarely satisfying to either side.

Win-win methods

Win-win methods provide a solution that is acceptable to all. Win-win conflict resolution strategies focus upon ends and goals, identifying the sources of conflict and then presenting these as problems to be solved. Superordinate goals (goals that are greater than those of the individual, team or organization) are established. These reflect the objectives or outcomes that all parties must work towards.

The identification of the superordinate goals reminds conflicting parties that even though their particular goals are vitally important, they share a goal that cannot be achieved without cooperation. The win-win approach uses participative management techniques in order to gain consensus and commitment to objectives. The desired solution is one that achieves both individual or work unit goals and the organization's objectives, and which is acceptable to all parties.

Conflict resolution styles

Accompanying these conflict resolution methods are several different styles that can be used in managing and resolving conflict. Each has its purpose and, if used appropriately, will be successful. Table 12.2 describes each style and the circumstances in which it should be used.

Table 12.2 Conflict management resolution model

Style	Avoidance style	Smoothing style	Forcing style	Compromise style	Collaborative style
Style characteristics	Denial that a problem exists or avoidance of the issue. The person may try to remain neutral or withdraw from conflict, for example being unavailable, deferring answering an email, not returning phone calls, or refusing to be involved in the conflict.	Minimization or suppression of open recognition of real or perceived differences. Emphasizes common interests. Acts as if the conflict will pass with time. Appeals for cooperation. Reassuring and providing support to the parties in attempt to reduce tensions.	Use of coercive or reward power to dominate the other party. Suppresses differences and forces the other party into adopting the lesser position. Results in winners and losers and can create more conflict.	Often used when negotiating. Tendency to sacrifice positions when seeking a middle ground for the resolution of conflict. Can compromise exploration of nature of the conflict so real issues surface much later in the negotiating or resolution process.	Uses win-win style. Willing to identify underlying causes of conflict, openly share information, and search out alternatives considered to be mutually beneficial. Open evaluation, sharing and assessing reasons for the conflict and alternatives.
Circumstances in which style is best used	Where the issue is of minor or passing importance and is not worth the time or energy to confront it. Where bringing attention to the issue will fuel its intensity in a detrimental way. Where the person's power is so low that there is little or no positive outcome by being involved. Where others can more effectively resolve the conflict themselves.	Effective in short-term situations when there is a potentially explosive emotional situation that needs to be defused. Where harmonious relationships need to be preserved or where the avoidance of disruption is important. Where the conflicts are of a personal nature between individuals and cannot be dealt with within the organizational context.	When there is extreme urgency and quick action is needed. Where there has been constant deliberation between the parties with no resulting outcome. When an unpopular course of action is necessary for the long-term survival of the information service. As self-protection when a person is being taken advantage of by another party.	When both parties recognize that there is a possibility of reaching an agreement that is more advantageous than if no agreement was reached. Where there is a likelihood that more than one agreement could be reached. Where there are conflicting goals.	When individuals have common goals. When consensus should lead to the best overall solution to the conflict. Where there is a need to make high-quality decisions on the basis of knowledge and expertise.

Issues That Can Affect the Success of Negotiations and Conflict Resolution

STRESS

High levels of stress and tension can have a debilitating effect on organizations and negotiations. Stress and tension have the potential to generate greater hostility among those involved in potential conflict situations and impact the conflict management, resolution and negotiation processes. They can result in harder bargaining strategies and less successful outcomes. Increases in tension beyond a certain point may make members of either party less capable of evaluating information and making the fine discriminations necessary in order to achieve a mutually satisfying solution.

It is important that negotiators are aware of their own personal stress levels when undertaking any negotiating procedures. They should monitor their tensions, looking for physical symptoms such as aggression or tension headaches.

CONSERVING THE POSITION

The psychological need to impress others and maintain a reputation of strength is poignant in conflict management, resolution and negotiation. Taken too far, it is likely to lead to rigid and contentious demands that may spoil the conflict resolution and negotiating process. Skilful negotiators like their concessions to be seen as a willingness to deal from a position of strength rather than weakness. They also like their concessions to be allowed because of their competency and reputation as a good negotiator.

Some people find it tempting to adopt a forcing style, committing themselves to a tough negotiating position when discussions bog down, in an effort to impose such a considerable cost to the adversary that causes them to yield under pressure. This can result in a lose-lose outcome as an entrenched attitude will result either in the perpetrator having to retreat to their former position, losing credibility in the process, or opening the way to subsequent exploitation by the other. Generally, the threat of an impasse being reached when time expires is sufficient in itself for a result to be obtained closer to the time.

COMPLEX SITUATIONS

The complexity of the situation may increase the intricacies in conflict management, resolution and negotiations, with different parties developing different conceptions of the situation or preferring a different structure for handling the situation. These circumstances can also arise if one of the parties is someone who has not previously been involved in the process, or is not sufficiently knowledgeable of or obligated to the issue at stake.

An impasse may result from the inability to resolve the differences, and a mediator may be required to alter perceptions or definitions of purpose on behalf of either party. This could delay or jeopardize the implementation of the negotiations. Therefore different negotiating strategies are necessary to suit different environments and different situations.

Similarly, not everyone may want to participate in the conflict resolution or negotiating process; some even may resist. There may also be a multiplicity of emotions that need to be managed as part of the conflict resolution and negotiation process.

PHYSICAL SURROUNDINGS

The physical properties of the meeting arrangements will affect the conflict resolution and negotiating atmosphere. For example the seating arrangements, size of room and shape and

size of the table will place participants in a position that is either compromising or contending. Round tables are less threatening than square or oblong ones. Opposing parties will often want to sit opposite each other. This allows them to pick up their opposite members' non-verbal communication signals and places each party in a competitive position. At times when a compromise is to be achieved, opposing parties may sit next to each other. Sitting side by side neutralizes any feelings of competition or animosity between the parties.

AVAILABILITY OF TIME AND INFORMATION

The availability of time and information are critical factors in successful conflict resolution and negotiations. Time can be either a constriction or an advantage. As the deadline approaches, decisions will be made faster, leading to one party losing their demand power. Known time constraints may also result in one party holding their real negotiating process until close to the deadline, in order to place the other party in a more vulnerable or critical position. As the deadline of the other party comes close there may be a shift in power back to the first party.

If a deadlock is threatened there should be a break in the negotiating procedures. This can be achieved either by using a time break such as lunch or morning refreshments, or by talking about some aspect other than that where a deadlock is threatened. A mediator or third party may also be used to help the negotiating process at this stage.

Knowledge and information are critical to the conflict resolution and negotiation. Skilled negotiators quietly and consistently probe the other party for information. They listen rather than talk, asking questions rather than answering them. Sometimes the other party's credibility is tested by asking questions to which the answer is already known. Attentive listening and observation are critical as often unintentional clues can be given out.

Conclusion

Effective negotiation can be used in resolving conflict and implementing decisions, both of which are required in rapidly changing and complex environments. Whilst conflict may be destructive if it is not handled or negotiated correctly, it can be a healthy sign of organizational growth and competition and act as a catalyst for change. In fact, if conflict within an organization ceased, stagnation could set in.

Constructive conflict and competition will often result in the improved performance of individuals and teams. Conflict can also lead to a better understanding of different individuals' or groups' problems. The discussions that take place may find issues that can be resolved to the advantage of both parties or identify common goals that were previously unknown or overlooked. Conflict also acts as a safety valve.

The sources of conflict and the resulting actions need to be managed effectively to ensure that only positive outcomes arise from conflict. Sources of conflict include organizational differentiation, uncertainty about change, organizational growth, competition for the use of scarce resources, role expectations, communication channels, interpersonal relations and behaviours, personal interests of individuals or groups, physical separations and the dependency of one party on another. The greater the differentiation between the values and workplace situations of teams or work groups, the greater the likelihood of conflict and the need for mechanisms that will integrate these groups.

Sources of underlying conflict can be detected through having formal grievance procedures in place, through observation, using electronic grapevines and suggestion boxes and through the use of exit interviews.

Conflict can also be found at a personal level such as where an individual experiences a dilemma in balancing their time and priorities to meet the needs of the job, to have a home life and care for dependants, to further a professional career, and to pursue personal interests. If the source of the conflict lies within the information service's control the manager must help resolve the issue. If the source is beyond the manager's control, they can choose whether or not to be involved. However, their involvement becomes essential when other staff begin to be affected.

Effective conflict management, resolution and negotiation are critical in ensuring that a potentially damaging situation is turned into a positive outcome for all parties. There are various methods and styles for negotiating and resolving conflict, that is, through win-lose, lose-lose and win-win methods, each of which can have a place depending on the situation. There are also different styles in negotiating and conflict resolution.

Finally stress, people's attitudes, the complexity of the situation, physical surroundings and availability of time and information can all affect the conflict resolution and negotiating processes.

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Managing the Political Arena

Managing the political arena is an important and unavoidable leadership role. This is because political behaviour is a natural process within organizations. It is both an individual and an organizational phenomenon, linked to leadership style, power, influence and competition and different values and interests. Even if everyone's interests are catered for, there can be a perception that some individuals, groups or organizational units have been treated more favourably than others. The basis for this is often politics and the personal interpretation of facts. It is inevitable in a competitive environment that people will personally interpret the facts to support their own, or their organizational unit's needs and objectives.

The activity of organizational politics is evident in the competitive behaviour between groups or individuals. Usually this is to ensure that they achieve a higher level of recognition, resource allocation, power or persuasion than their counterparts. To be effective in competitive organizational environments, it is vital that information services managers and their staff recognize and understand the political behaviours of others and manage their own. They need also to be aware that even if their actions are not personally politically motivated others may assume they are.

Most politics and competition are beneficial to organizations as they increase the motivation and output of the various programme units or work groups. Influencing or attempting to influence the distribution of advantages and disadvantages within the organization for the benefit of the information service is part of the role of the manager. However, if unchecked politics or political behaviour is used to further an individual's needs at the expense of others it can be detrimental to all concerned. In considering whether the tactics should be condoned, the deciding feature should be the ethical impact upon the organization and individuals.

Understanding Organizational Politics

Generally, the higher the individual is in the organization the more political their position will be. This is because senior managers need to extend their influence beyond and across organizational boundaries to achieve successful outcomes. At this level, the organizational environment is often turbulent and very competitive, with the decisions made at senior management level sometimes being politically influenced.

The political role of information services managers is to make things happen. This requires them to create a vision and convey this to others in a meaningful manner. They have to ensure that executive management share and sponsor the vision, as well as understand the benefits and critical importance that information sharing and knowledge management have to the success of the organization. To move the vision forward, they must know how to get things done within the parent organization and use their power constructively to

drive the change. This requires them to interpret the political environment correctly, to 'open doors', to identify supporters and sponsors, and to build networks quickly, gaining commitment and support. Noting the importance of political behaviour, Pors and Johansen (2003:57) included political actions as part of a study on library leadership:

- the director has to make the library visible in the political system;
- the director's political legitimacy will be very important; and
- the director must create political contacts and networks.

Information services managers who are politically astute know what is going on within the parent organization and have control over the rules of the political game. They manage the boundaries of the information service so that it is viewed in a favourable light by those in positions of authority. Skilled political managers understand what the parent organization wants and position their services to provide creative solutions to the important problems facing the organization. They stay focused and do not let distractions or operational tasks side-track them.

In their political role, information services managers must speak the language that is understood and valued by the senior decision makers. They regard everyone within the parent organization as a customer and pay attention to how they project their personal image and that of the information service. To illustrate this Wilson and Corral (2008:474) quote Kent's (2002) perspective of leadership for public library leaders who must be in a position of 'respect and credibility', and seen and valued as equals to other political, cultural and educational leaders in their respective communities and authorities. Kent further comments that the contemporary public library leader must incorporate an ability and willingness to 'sell' the public service while maintaining credibility as a 'non-politicised individual in a politicised environment', balancing commercial expertise, political acumen and a service to the 'public good'.

Political gamesmanship will occur in times of constraint when resources are scarce, when those in control feel threatened such as when integrating services, or where there are competing views, values or agendas. Not all organizations (or groups) are as conspicuous in their political behaviour as others. In some organizations politics are overt and rampant, whilst in others politics are virtually non-existent. Furthermore, some organizations refuse to admit that political behaviour exists, preferring to believe that all is well. Usually this is because they are ill equipped to manage the conflict that is often associated with political behaviour.

The extent and type of political behaviour in organizations is influenced by the internal and external environments. Organizations that operate under pressure, have a role ambiguity or exhibit a low level of trust amongst employees are more likely to witness an overt and Machiavellian style of political behaviour than those that have clear and objective performance measures, an open and trusting environment and plenty of resources.

In bureaucratic organizations the politics will emphasize standards of control, rules, policies and procedures. The power of particular individuals to control and enforce adherence to these will lead to internal politics. In organizations that are less traditional, more open and free thinking there will be little emphasis on these aspects. Here the politics will operate within units, work teams or groups, and stress trust and cooperation.

In diverse organizations where there are different objectives, processes and service delivery mechanisms within units or groups, politics and conflict will often arise through misunderstanding and a lack of knowledge of others' tasks and responsibilities. The diverse structures within information services may create an environment where conflict and political rivalry may occur. For example, helpdesk people or reader services librarians who are used to dealing with diverse and immediate demands of customers may view technical service

personnel as inflexible, bureaucratic or bogged down with unnecessary standards and rules. Technical service personnel may likewise view customer services personnel with suspicion.

In changing and competitive organizational environments, the competition and uncertainty leads to differences of opinions and values, and conflicts over priorities and goals. This is true regardless of the size of the organizational unit. Whilst there will be no internal competition in a cost centre run by one person, the person would still need to compete for resources. Their power, influence and political persuasion must still be used on an organization-wide basis. Competition also leads to the formation of pressure groups, lobbying, cliques and cabals, rivalry, personality clashes and alliances – all of which are evidence of organization politics.

Politics and competition are beneficial to all organizations as they usually result in increased output between the competing groups or individuals. However, unchecked politics can result in the organization losing its sense of direction, or in its spending too much time resolving the problems at the expense of pursuing its corporate objectives.

Political behaviour that is used to further an individual's own needs may be damaging to others or the organization. An example would be an individual who influences management's perception of a co-worker to the extent that the co-worker was viewed unfavourably for promotion. This is the negative side of political behaviour and should be neutralized.

POLITICAL TACTICS

Politics is unavoidable and a necessary part of life. People have in the past and will continue in the future to engage in political behaviour to further their own ends, to protect themselves from others, to further goals which they believe to be in the organization's best interests, or to acquire and exercise power. Even individuals who perceive politics to be unethical cannot help but be occasionally involved in political battles and political networks.

Individuals who regularly engage in political behaviour often exhibit certain traits that characterize their political style. Those who are highly competitive and have excessively high self-actualization and power needs are more likely to be involved in a Machiavellian political behaviour. They look for career shortcuts and quick fixes. Other traits include the willingness to manipulate people or situations, a high need for control and the ability to exploit situations for their own self-interest.

A second type of political behaviour is the collaborative style. People who have a collaborative style get things done through others based on knowledge, rapport and respect. They build networks of important people by serving on and contributing to strategic committees. They keep people informed and build their power based upon knowledge and doing favours for others.

Whilst organization politics may be viewed ambivalently, most people will regard any political tactics that are used by individuals for their personal gain at the expense of others as being unhealthy and unfair. Political tactics can also be genuine, ethical practices that can be beneficial to the organization.

The information services manager should readily be able to identify and use intra-organizational politics for their own benefit and that of the information service. Becoming a 'political animal' takes considerable skill, and necessitates the exercise of caution because, if the tactics are used inappropriately, the exercise will almost certainly backfire. In particular they should need to be skilful at identifying and taking action against political tactics that are adversely affecting them or their service.

Several effective political tactics are commonly used in organizations. Some of these are ethical, others are not (see Table 13.1).

Table 13.1 Ethical and unethical political tactics used in organizations

Clean tactics (ethical)	Dirty tactics (unethical)
<p><i>Establishing an alliance with others who are willing to support the preferred position or action</i></p> <p>These may include peers, subordinates and the executive – but it is important that the right allies are chosen. These should be people who have something to contribute and who can be relied upon. Arising out of such an alliance can be the formation of a powerful coalition.</p>	<p><i>Attacking or blaming others</i></p> <p>Creating a scapegoat by falsely attributing blame for negative outcomes to others is both unethical and unprofessional. A test of leadership is accepting responsibility for:</p> <ul style="list-style-type: none"> • taking charge of adverse situations • all outcomes – good or bad
<p><i>Choosing a powerful mentor</i></p> <p>Having an influential mentor can be beneficial to one's career. Such a relationship can be an effective tactic to acquiring power as others view associates of powerful people as being powerful themselves – part of the aura is passed on. Powerful mentors can assist in the reaching of important goals by 'opening doors' or helping to establish networks. They can also provide protection and guidance when necessary, a valuable asset in tough times.</p>	<p><i>Deliberately misleading others</i></p> <p>Creating the perception or holding others responsible for events they did not create.</p>
<p><i>Developing a base support for one's ideas</i></p> <p>In effect this enhances the individual's personal power base through the use of reverent power. Once a base of support for one's idea is gained, the supporters will want to identify with the individual and the idea.</p>	<p><i>Use of hidden agendas</i></p> <p>Announcing one agenda for meetings and then following a totally different 'hidden' one. Preventing opponents from being adequately prepared.</p>
<p><i>Creating obligations and basis for reciprocity</i></p> <p>IOUs can be scattered by doing favours for others, assisting them to solve problems or supporting them against their detractors. All these actions will place them in debt. Effective users of these strategies will always gain more than they give. The value of a favour may be worth more to the receiver than the provider, the providers usually find the favours smaller and easy to perform.</p>	

In deciding which tactics are ethical or unethical, the impact of the political behaviour upon the rights of others should be addressed. If basic human rights are violated, the political tactics are unethical. The principles of equity and fair play should also be considered, in terms of both individuals and the organization. Often political behaviour is judged according to a utilitarian approach, being the greatest good for the greatest number. Where behaviours are viewed as unethical or illegitimate they should be made to cease immediately.

Several steps can be used by the manager or supervisor to minimize the political behaviour of subordinates where it can be seen to be detrimental to their position or that of the information service. These include bringing dispute or disagreements into the open where they can be solved, and providing challenging situations and feedback to all.

PRESENTING POLITICAL ARGUMENTS

Not all dealings with people can be face to face where there is the ability to respond to verbal and non-verbal messages to reinforce the political argument. Similarly, the information services manager may not always be present at meetings to respond to questions, reinforce arguments or apply political persuasion. Therefore skills in presenting political arguments in reports are needed.

In presenting arguments, it is important that each item is properly researched and simply portrayed with the appropriate level of detail and content. Often the audience will have little time to read and consider the report. The more explicit and lucid the comment, the more favourably the report is likely to be received.

The contents of the report should anticipate and answer likely questions and be self-explanatory. The argument being presented should be able to stand on its own accord. Reports should include an executive summary that covers the important issues, benefits and recommendations for action. In some situations the executive summary can be the only part of the report that is read, so it should articulate the main points that will lead the decision makers to a favourable outcome.

The full body of the report should be clearly signposted. It should be broken down into headings and subheadings to make it easy to read and to find relevant information. It should include an introductory heading, an introduction, current information on the subject of the report, viable alternative courses of action, and a recommendation(s). The opening paragraph of the main body of the report should summarize any previous history or background and indicate why the report is necessary. The current situation should be described providing up-to-date, relevant information in as precise and brief a form as possible. The alternative courses of action should be identified. These should discuss the relevant advantages, disadvantages, costings and outcomes. A preferred option should be recommended with reasons where applicable.

Sometimes political statements may need to be made or data or information released to prove a point of conjecture or to garner support from a wider community of stakeholders. Examples include the release of usage figures to support a case for increased funding or to prove a point in the case of imminent funding cuts. How political statements are made should be carefully planned so that they do not backfire or violate the organization's code of behaviour or employment regime. The target audience should be well researched and the statement tailored to appeal to their likely viewpoint. Any data used should be that available in the public domain and not include any information of a personal or commercial-in-confidence nature.

Lobbying and Lobby Groups

Lobbying is an attempt to influence decisions at the ownership level through persuasion and the provision of information. Occasionally the information services manager may lobby as a political strategy when there are important issues for the information service at stake.

Good communication channels between all levels of the organization will enhance the spread of information. At times, it may be necessary to supply additional information which will further the information service's cause. Lobbying occurs when this is provided to higher levels, either verbally or in writing, in an attempt to influence the decisions. Lobbying is a legitimate practice if used positively and with care and thought.

The information services manager may also be the subject of lobbying from lobby groups or industry. Lobby groups are a form of political group that attempt to impose their view or

influence others. They may try to influence the information service on some issues, or see it as a vehicle through which their cause may be further supported.

Lobby groups that result from organized interest groups are features of modern democratic societies. The information services manager should balance the lobby group's concerns with the overall needs of the customers, the community and industry's desires with the requirement for probity. This should be to ensure that no one sector of the community or industry influences the services to the detriment of others.

Lobby groups often regard government as a pervasive and powerful source, influencing every facet of an individual's life. Most information services are also seen to be influential as information is perceived to be power. Lobby groups may attempt to make the information service an avenue through which their point of view is promulgated to the detriment of the opposing point of view.

Lobby or interest groups can constitute the principal potential avenue of influence outside official government interaction. They need to be considered but not allowed to impose their requirements upon the organization. If possible, their energies should be channelled in a direction that can help the information service and its parent organization.

Conclusion

Politics is a natural process within organizations, as individuals and work units compete for recognition and scarce resources. Politics is also about the distribution of advantages and disadvantages and how individuals use their power and influence in this distribution process. Whilst those who lose may perceive politics to be unfair, many are quite ethical. However, unchecked or unethical politics are unfair. They have the capacity to harm the organization as well as its people and should not be tolerated within the organizational culture.

To be successful in a competitive environment it is important that the information services manager is politically astute and able to engage with key decision makers in a way that they can understand the issues and opportunities that the information service can present, as well as manage the organizational politics for the benefit of the information service.

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Policy Making

Organizations are made up of individuals and groups of people with different values and interests. Policy making is one mechanism to ensure that these individual interests are managed for the greater good, and to ensure that individuals within the organization are moving forward in the same direction. Policy making is also necessary to safeguard individual rights such as in the case of policies on the protection of privacy and commercial confidentiality. Codes of conduct that guide behaviours such as how social networking tools can be used in organizations are also considered policies.

Policy development is an ongoing process that evolves through continuous consultation with internal and external stakeholders. The information service and its parent organization can also be subject to policies and standards that have been established by external parties, such as government bodies or international standard-setting organizations.

Using Policies, Standards and Guidelines

Policy making incorporates the development of policies, standards and guidelines that ensure decisions are in keeping with the organization's philosophies. They can be used to enhance the image of the parent organization as a good corporate citizen. Policies, standards and guidelines are used within organizations to:

- solve a recurrent problem at the organizational level;
- provide guidance for individuals in decision making;
- ensure consistency in approach across the organization;
- declare an intention or enable a stance to be taken on a contemporary issue;
- clarify organizational values and intentions;
- make a commitment; and
- grant rights or entitlements.

Examples of information service policies include those that determine the type of material eligible to be archived, and those that provide guidance for the personal and professional use of social media in the organization, or how information services and products will be charged to clients. Examples of standards include naming standards for records or data capture and transfer standards.

Policies, standards and guidelines are usually promulgated on the organization's intranet as this is a convenient way of ensuring that everyone has access. Many organizations may also have a set of unwritten rules or policies. Putting policies on the intranet avoids duplication of effort and eliminates the possibility of out-of-date policy material being used in decision making. Making new members of staff aware of the policies and their existence on the intranet is an important part of the induction process.

Policy Framework

The policy framework of an information service comprises policies, standards and guidelines. It may also include codes of practice on issues such as social media engagement. Standards differ from policies in that they are usually technical in nature. They define levels of conformity and input, and establish performance outputs. Guidelines supplement policies and standards, providing further background information. They are often used to provide advice regarding the implementation of policies and standards.

POLICIES

Policies are guides to the decision-making process. Like objectives, policies can be either general or specific. General policies are used throughout the organization, and are usually broad and comprehensive. They affect all work units and levels of staff. General policies address issues such as the use of desktop equipment for home or personal use, or security and risk covering access to systems and the need to protect personal information. In the area of social media, Niall Cook (2008:129) provides a good example of what needs to be included in such a policy:

- what employees absolutely cannot say – legal and moral obligations extend to comments left on others' blogs, not just company-owned ones;
- who to consult if employees are unsure – perhaps the line manager or human resources team aren't the most appropriate people to advise in your organization;
- guidelines for specific websites – for example, it's against Wikipedia's policies for a company to edit its own entry. Employees need to know this too;
- how to decide whether to engage – there are some arguments the company just won't win, so engagement might be a fruitless exercise;
- being anonymous – don't be (you generally aren't anyway, even if you think you are);
- pretending to be someone else – it may sound harmless to pretend to be a customer, but if employees get found out the impact on the company's reputation can be severe; and
- letting others know about it – harness your employees to be the eyes and ears for interesting online conversations taking place about the company.

Some general policies will be influenced by legislation or policies and standards that have been established by external parties. For example, general policies on the protection and use of software may be influenced by copyright legislation or the parent organization's licence conditions with the software vendor.

Specific policies often relate to operational issues. They have significance for a particular department or work unit and are more relevant to day-to-day issues or specific activities. Only those individuals who are directly concerned with the activity or work unit will be affected by the policy. A policy that relates to the selection process in a children's collection in a public library is an example of a specific policy.

The policy statement describes the policy. It is usually brief. The policy statement may be supplemented by statements about:

- the policy objective and scope;
- responsibility for implementation, review and audit;
- background issues; and
- implementation strategies.

Figure 14.1 provides an example of a policy framework that may be used to support a code of conduct. It includes guidance on equal opportunity and occupational health and safety, communications and the use of official information, the use of organizational resources, record keeping and managing conflicts of interest.

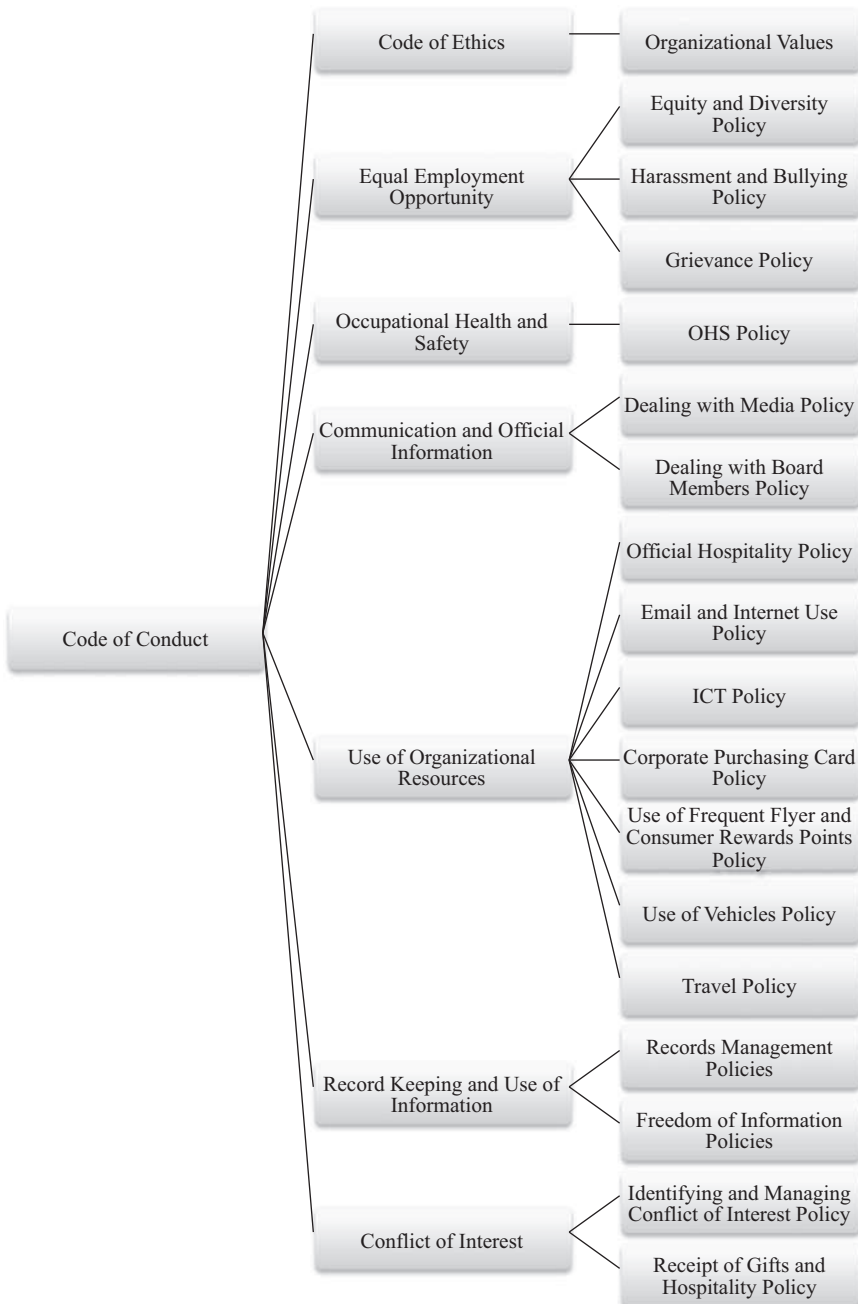


Figure 14.1 A sample policy framework to support a code of conduct

STANDARDS

Standards provide for consistency in the use of resources. In information services, standards provide rules about the choice and management of information and its supporting technologies. Standards may be set at the international, national and organizational level. They include protocols, data capture and transfer standards, bibliographic descriptions and standards for record keeping. Standards may also determine accommodation requirements and service levels. These will be particularly important in identifying customer service levels or in instances where services are contracted out to third parties.

GUIDELINES

Guidelines provide a more in-depth description about the policies and standards. They are often very practical and address the implementation and operational issues that are associated with the policies and standards.

Policy Development

Policy making is a complex activity that requires lots of consultation with individuals and groups from within the information service and parent organization and with other external stakeholders. This is because policies are usually performed by people other than those who design them. Good policies are developed with this in mind, for if they cannot be implemented effectively they will fail.

The policy-making process, including the development of standards and guidelines, should be well planned and thought out in terms of strategic timing, costs, issues at stake, and the values and attitudes of the internal and external stakeholders. The implementation of a policy often implies some form of change, whether at the strategic or operational level. As a result, conflict may arise through the change processes that may in turn jeopardize the policy.

STEP BY STEP POLICY DEVELOPMENT

Policy development should be undertaken through a series of steps (see Figure 14.2). The first step is to ensure that all environmental factors that could impact upon the policy are taken into consideration. Those developing the policy should be cognizant of the financial, social and political context of the parent organization and how these could shape the available options and strategies. For example, the financial situation of the parent organization may limit the choice of outcome or scale of the policy or call for a gradual implementation of the policy.

Policy development should not just take into account the current operative environment. It should be future oriented, anticipating new demands or developments, whilst ensuring that the end result is workable and able to address the circumstances that are prevalent at the time. The organization's future ability to fund and implement the policy should also be considered. Impractical solutions create frustration and confusion and should be discounted.

The development of the policy should take into consideration all the known stakeholder values and outcomes that stakeholders regard as being possible. 'Success stories' or 'horror stories' from other policy initiatives should be highlighted and this knowledge built upon. Timing is another important consideration in policy development, particularly when the policy may have some political impact for the organization.

The next step is to identify the issue and to determine whether this can be solved through a policy or an alternative mechanism. Not all issues can be solved through policies.

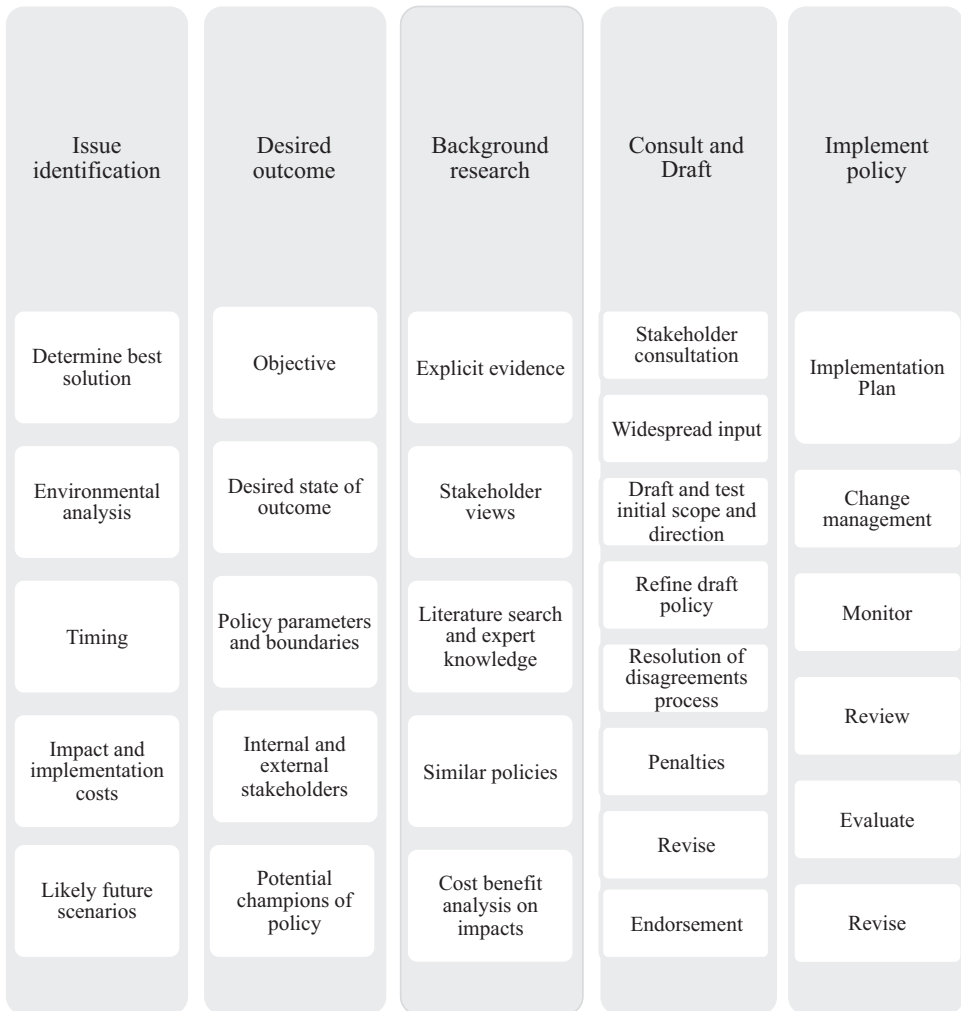


Figure 14.2 The policy development model

Likewise, policies should not be created for aggrandizement or self-importance. Policies are useful to resolve common sources of disagreement or provide guidance on an emerging issue that has been identified through the environmental scanning process.

Once it has been determined that the development of a policy may be the best solution to the problem, the objective and desired outcome should be clearly defined. The parameters and priorities for the policy should be set. The internal and external stakeholders should be identified so that they can be included in the consultation process. It is also useful at this stage to identify any champions who may assist in the promotion of the policy at either the development or the implementation stage.

The next stage is the research stage. Evidence used in the preparation of the policy and the development of the policy statement should be explicit. The criteria used for the basis of judgement should be transparent. The sources of information that can be used as evidence to support policy development vary widely. They can range from in-depth interviews with

stakeholders to literature searches and consideration of like policies produced by similar organizations. Expert knowledge is essential to policy innovation and experts in the field should be consulted.

A cost-benefit analysis of the policy options and their impacts should be undertaken. Once the background information has been gathered, an impression or judgement of the policy scope and direction can be developed and tested on a number of stakeholders. A draft policy can then be written. This should be further revised after consultation with stakeholders until there is agreement to the policy.

Continuous consultation with both internal and external stakeholders is of particular importance. External stakeholders may include suppliers, the local community, the media, government officials and interest groups. The process of consultation with stakeholders may become a political exercise. The stakeholders may hold vested interests in a particular course of action or in the advancement of their personal power. An objective view should be maintained. Alternative approaches and counter-scenarios should be developed to enable the best possible solution.

The political interests or bias of individual stakeholders cannot be dismissed as the policy will need to be workable for all. The reasons behind the interests must be understood so that these can be considered and accommodated alongside other interests. If these interests are not acknowledged, and the stakeholders are in a position of power such that they can control the activities surrounding the policy, then the result may be that the policy is either ignored or vetoed. Similarly, stakeholders who are known to have opposing interests to the proposed policy should not be ignored. Their views should be canvassed and they should be involved in the decision-making process. When all stakeholders are in agreement to the policy, it should be submitted to senior management for endorsement.

The individual with the task of developing the policy should also ensure that their own values and preferences do not influence the subject matter. The underlying factor is that policy making should be free from bias and all points of view should be considered in the formation of the policy.

The policy development process should take into account how issues may be resolved where there is disagreement about the contents of the policy once it is in place. Where appropriate, a disciplinary process and penalties for failing to act within the policy should be developed. Any disciplinary process should be matched by an appeal process.

The development of the policy is the first part of the policy process. Once developed, the policy needs to be implemented and its performance monitored to ensure the desired policy outcomes. It may need to be refined to take into account changing circumstances. This is because very few policy development processes are fully resourced or provided with sufficient time to investigate and present different options. Often the need for a quick decision limits the level of consultation. There is also the danger that policy development is 'fitted in' to existing workloads and priorities. In these situations, policy solutions can be limited in input, relevant expertise, innovation and strategy.

Conclusion

Effective information service policies solve problems or channel decisions towards achieving the objectives of the service and its parent organization. Once overall policies or standards have been established, they can be effective tools for moving decision making to the point of service delivery. With an effective policy framework, individuals and groups can take initiatives in making decisions, knowing that the outcomes will still be in line with the ultimate achievement of the organization's objectives.

Policies are also mechanisms for ensuring that individuals are treated fairly and equitably and that individual interests are managed for the greater good. As guides to decision making, policies should be developed through a consultative process with all stakeholders to ensure that different values and interests are considered in decisions.

The following steps can be used in policy making:

- identify the real issue and determine whether it is best solved through a policy;
- define the desired outcome;
- undertake background research;
- consult with all stakeholders;
- draft policy and consult;
- plan and execute the implementation of the policy; and
- monitor and review to ensure the desired outcomes have been achieved.

Policy making is an ongoing process. It does not start or stop in the form of discrete events. Effective policy making involves continuous modification and adjustment. This continuous improvement process should reflect amendments to the corporate objectives or repositioning of the organization within the changing competitive environment. Where services are integrated the existing policies of the other entities will need to merge with those of the host organization.

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15 Personal Communication and Networking

All human interaction is dependent upon interpersonal communication for the exchange of information and the conveyance of ideas. Leadership – influencing and getting things done in the corporate environment – requires good interpersonal skills that include networking with people and clearly communicating across organizational boundaries and with all levels of people internal and external to the organization, more and more of which uses Web 3.0 and 4.0 tools and applications. McCallum and O’Connell (2009:154) quote Balkundi and Kilduff (2006) as saying that an effective leader understands social networking relationships among organizational members and also between members and others beyond the organization boundaries, and is able to leverage individuals’ personal networks for the benefit of the organization.

An organization’s survival also depends upon individuals and groups maintaining effective and ongoing relationships through communication. Attracting and retaining talented staff who have good connections and networks is one of management’s biggest challenges. People employed in information services spend most of their day listening, making judgements, evaluating, reasoning, providing advice, networking, expressing emotions, agreeing or disagreeing on opinions and attitudes, sustaining and supporting others, sharing their hopes and ambitions for the future, as well as reassuring and appeasing their bosses, peers, customers and stakeholders. These activities all require highly developed verbal and non-verbal communications skills and take place in a variety of ways, for example in formal and informal meetings, face to face, by phone or by email, through formal report writing or casual conversation.

In addition information service managers have to build credibility and strong relationships with key business partners and executive stakeholders in:

- understanding their business and client needs;
- selling new ideas, concepts and business applications;
- being informed about operational issues affecting service delivery within the information service;
- convincing them of the business value to be exploited from investment in technology; and
- managing strategic change and challenging circumstances.

The very nature of the activities in information services requires individuals to have highly developed communications skills as well as the ability to assess, select, manage, process and disseminate vehicles of communication in a variety of formats:

- they have to manage and use information in multiple formats to provide information services to their customers;

- they have to understand and provide advice on the business applications of new communications avenues such as social networking;
- they must be expert in recognizing the most appropriate vehicle to communicate information and deliver interactive services to a large number of people; and increasingly
- they also have responsibilities for the sharing, development and brokering of knowledge across organizations.

The information discipline is particularly strong in its use of technical terms and jargon which can be daunting to those who do not have the same technical background. It is therefore important to be able to communicate technical issues to people without using the technical terminology.

Effective Interpersonal Communication

The existence of various avenues or media for communicating does not always ensure that communication takes place. The communication process may fail for a number of reasons as no two individuals are alike. Individuals have different perceptions of others and situations that are governed by their past experiences, cultures, values, knowledge, attitudes, expectations and self-image. This can result in an inability to build a two-way communication process because the process is based upon subjective analysis or perception of the other person(s) rather than the objectivity of the message conveyed.

To improve their interpersonal communication, individuals or groups must understand each other better. Strategies for understanding the other person include:

- seeking clarification or more information about the issue;
- exploring mutual ideas;
- emphasizing and sharing an appreciation of feelings; and
- reflecting upon one's own and the other party's position and what is being said.

There are also differences in listening abilities that may be coloured by natural tendencies to judge and evaluate both what is being said and the person saying it. These can lead to differences in the interpretation of the message. Problems may be oversimplified in the message or deliberately generalized, distorted or omitted. Alternatively, the receiver may be insensitive to the problems expressed in the message and so not listen properly to what is being said. There may also be a lack of distinction between information and communication, or a lack of clarity as to who needs the information. Finally, relevant information may not be able to be synthesized due to the overabundance of irrelevant information. Being over informed is as inhibiting as being under informed.

Effective interpersonal communication in these instances can be achieved by focusing upon concrete evidence and issues rather than being vague or abstract. Opinions should be formed upon descriptive actions, not judgmental ones or inferences. The emphasis should be upon developing alternatives and the sharing of ideas and information, rather than the giving of advice.

Managers can enhance their interpersonal communication skills by being accessible and by defining each individual's or team's areas of responsibility. Goals should be kept clearly in mind. In situations where a person requires guidance, their actual behaviour should be focused upon rather than their personality. The manager should develop trust between all concerned and be frank with individuals on plans and problems. Above all, effective listening skills should be developed.

It is helpful when communicating with others to appreciate and understand the complexity of interpersonal communication. The interpersonal aspect of communication

involves the searching and understanding of one's own and others' self-image, needs, values, expectations, standards and norms and perceptions. Self-image involves the perceptions of an individual about themselves or the group or organization to which they belong. The concept of a group can also be extended to include a nationality or religious group. Self-image takes into account ego, pride, culture, traditions and ambitions. Needs reflect requirements that enable psychological or physiological yearnings to be satisfied. They include love, security, recognition and success. Values reflect subjective ideas held dearly. Expectations are anticipated outcomes, desired or otherwise, which are likely to be the consequence of actions or the lack of actions.

Standards are found in fixed norms that reflect cultural background and experience. Perceptions are preconceived ideas that may or may not distort an individual's views. To this may be added a background of stored information, understanding and knowledge based on the past, and an experience, understanding and knowledge of the present. None of these can be mutually exclusive, and all interact to influence the interpersonal communication process at the time.

Two other issues can also affect the effectiveness of the interpersonal communication. These are stereotyping and the halo effect. Stereotyping involves forming generalized opinions of how certain people appear, think, feel and act. It is an attempt to classify or categorize individuals so that they lose their individuality and are in turn assigned the characteristics of an entire group of people. Stereotyping affects the interpersonal communication process because it keeps individuals from understanding one another. Stereotyping is 'noise' that prevents one party from hearing the message that the other party is sending. It colours attitudes and creates prejudices.

The halo effect is a tendency to judge an individual favourably, or occasionally unfavourably. In many cases this is on the basis of one strong point on which the other party places a high value. Halo effects can have positive or negative consequences for the other party. It affects the communication process in that anything that the person says is consistently interpreted in either a positive or negative fashion.

Effective Business Communication

Convincing others of the value and contribution of ICT and information services often takes considerable effort. A factor that contributes to this is the fact that properly implemented ICT seamlessly enables business efficiency that is then taken for granted. However, when failures occur they are frequently remembered as black holes of spending.

The role of the information services manager is to work collaboratively with senior management and key business partners in understanding and delivering solutions that meet their business and client needs. To do this the information services manager must take time to discuss and understand their business strategies, agendas and pain points and how the information service can add value to their business and minimize the pain points. At the same time, the information services manager must also gather information about areas for continuous improvement and operational issues that may affect business service delivery.

Convincing senior management and key business partners of the business value to be exploited from investment in new applications such as social media during times of financial constraint and challenging business circumstances also requires a business argument to overcome scepticism. In this instance the business argument is about customer reach and using preferred customer service channels, customer convenience and improving the quality of internal information.

To summarize, effective business communication requires the information services manager to gain the trust of and communicate with senior management and key business

partners on their terms, using their language and in their offices, rather than being seen as a backroom technology nerd or keeper of the record. This includes simplifying messages in explaining concepts, selling new ideas and business applications and establishing business cases; talking in terms of being the financial manager and controller for the information and technology investment portfolio, capital expenditure and revenue opportunities; and explaining proposals in terms of their business benefits and value.

Effective Listening

Sustaining the well-being of people in uncertain and challenging times frequently rests on effectively listening to and responding to their concerns. Listening is different to hearing. Effective listening requires the individual to listen to what is being said in terms of what is being meant rather than interpreting the words they hear. Effective listening requires the ability to pick up key words, inferences and prejudices that provide meaningful details and explain underlying thoughts. It is also important to understand the viewpoint of the other party, even though it may contradict or challenge the listener's own ideas and values. Pertinent questions also act as a feedback mechanism to the other party and provide further assurance that what they are conveying is being considered in an objective manner.

Effective listening also includes interpreting non-verbal communication signals such as mood, aggression, nervousness, and incorporating these into the verbal message that is received. Active listening is another valuable technique in that it allows the listener to place themselves in the other party's position and hence to look at things from their point of view. In difficult circumstances the party may need time to be able to sift through their emotions and articulate the underlying cause of their feelings. In these situations the listener needs to be patient, putting the other party at ease and allowing the other party plenty of time.

Using Emotional Intelligence

Many of the reactions that leaders and managers have to deal with in driving transformational change and managing difficult circumstances and other situations in the workplace are based on emotion. Emotions such as fear, anger, surprise, joy, sadness or disgust are manifested in behaviours such as aggression, distrust, optimism and eagerness. By identifying, using, understanding and managing emotions that may have been uncovered through good interpersonal communication and listening skills, managers can be more effective in their transformational change role.

Emotional intelligence is one of the 'soft skills' that are increasingly important and legitimate leadership and personal communication tools for recognizing, reasoning and solving problems that involve emotions. Emotional intelligence is the ability to manage yourself and your emotions and relate to other people's emotions. In particular it is well suited to today's workplace and the values of Generations X and Y who look to more people-focused styles of leadership and to the philosophy that it is difficult to separate the impact of events in people's personal lives from those at work.

Several models have been developed around emotional intelligence. Salovey and Grewal (2005:281–282) focus on the four-branch model developed by Mayer and Salovey (1997), which characterizes emotional intelligence as a set of four related abilities:

- Perceiving emotions – the ability to detect and decipher emotions in faces, pictures, voices, and artefacts, including the ability to identify one's own emotions. Perceiving emotions represents a basic aspect of emotional intelligence, as it makes all other processing of emotional information possible.

- Using emotions – the ability to harness emotions to facilitate various cognitive activities, such as thinking and problem solving. The emotionally intelligent person can capitalize fully upon his or her changing mood in order to best fit the task at hand.
- Understanding emotions – the ability to comprehend emotion language and to appreciate complicated relationships among emotions. For example, understanding emotions encompasses the ability to be sensitive to slight variations between emotions, and the ability to recognize and describe how emotions evolve over time.
- Managing emotions – the ability to regulate emotions in both ourselves and in others. Therefore, the emotionally intelligent person can harness emotions, even negative ones, and manage them to achieve intended goals.

Using these abilities, Caruso and Salovey (2004:xv) show how the emotionally intelligent manager can leverage these skills in the workplace, for example in:

- identifying how all the key participants feel, themselves included;
- using these feelings to guide the thinking and reasoning of the people involved;
- understanding how feelings might change and develop as events unfold; and
- managing to stay open to the data of feelings and integrating them into decisions and actions.

People who are skilful in identifying and managing emotions know what people feel and talk about feelings. They read people accurately and are good at expressing their own feelings. They listen, ask questions and determine how they and the other party are feeling. They examine the causes of the feelings and try to understand what might happen next and the type of emotional encounters that they might encounter; whilst also looking at actions that can be taken to alleviate the emotion.

In looking to understand emotions, Caruso and Salovey (2004:52) have identified that skilful people try to make correct assumptions rather than misunderstand people. They know the right thing to say and have a rich vocabulary, rather than find it hard to explain their feelings. They also understand that a person can feel conflicting emotions towards another or about a situation. In managing emotions, skilful people are open to their feelings and those of others, they connect with people and take steps to manage feelings appropriately by calming people down or encouraging or cheering others up.

Similarly, Daniel Goleman focuses on emotional intelligence as being a wide array of competencies and skills that drive leadership performance. Goleman summarizes these as:

- self-awareness – the ability to read one's emotions and recognize their impact while using feeling to guide decisions;
- self-management – involves controlling one's emotions and impulses and adapting to changing circumstances;
- social awareness – the ability to sense, understand and react to others' emotions while comprehending social networks; and
- interpersonal relationships – the ability to inspire, influence and develop others while managing conflict.

All of these models have common themes: the need to accurately recognize and pay attention to one's own and others' moods, emotions and behaviours, especially in stressful and difficult situations. They provide a self-awareness and self-regulating mechanism for understanding and assessing oneself and one's own intentions, responses and behaviour as well as understanding others and their feelings.

Effective Networking

In the past, individuals had all the knowledge and information to perform well. However, as operations are more dispersed around the world and people advance within organizations, the amount of information necessary to be successful outpaces the knowledge that just one individual can possess (Byham 2010:67).

Personal networks allow information services managers and their team members to function and communicate effectively. They can be used to seek and impart knowledge and information, for support, and to positively influence outcomes. Increasingly social network services are enabling people to connect online based on shared interests, hobbies and causes both within and outside of the workplace.

Byham (2010:66) provides six reasons why networking is fundamental to business:

- The level of complexity in the business environment means that a single individual cannot have all the information required to do a job. They must find out who has the necessary information and develop the contacts to get the information when it is needed.
- Business networks facilitate the sharing of information that helps individuals and teams avoid repeating work. It also avoids the situation where processes are developed without benefiting from best practices for similar efforts undertaken elsewhere.
- It is fundamental to coordinating efforts for maximum speed and efficiency.
- Business networks can act as an early warning system that keeps individuals in touch with what is going on in the organization and external environment.
- When making difficult decisions with little information it is useful to have people who can be called on for help and advice.
- Business networks help people determine the strategic direction of the organization so that personal and unit efforts can be aligned.

Networking is a sharing process where knowledge and information is freely given as well as obtained through formal and informal communication channels. To function effectively, it is important that personal networks are established with relevant people within the organization, various professional bodies that are represented or interact with the information service, and with external stakeholders, such as industry, trade suppliers and politicians. These networks will enable the individual to learn lessons and avoid repeats of past failures, obtain critical information and advice and establish alliances with key stakeholders who are likely to support preferred positions or actions, or supply needed resources or services.

Networks are particularly important for individuals who work in professional isolation. They provide a source of professional knowledge, information and opinions and can be useful in sharing resources. Networks can also comprise a group of trusted people to whom the individual can turn for guidance and personal advice.

Belonging to the right network will 'open doors'. Many legitimate political tactics rely upon networks. In belonging to others' networks valuable information is often obtained that would not otherwise be forthcoming. This will often lead to improved decision making or allow corrective or appropriate action to be taken to avoid undesired outcomes. Networks also provide sponsorship and can influence outcomes. This may be useful at budget time or when major decisions take place about the future role of the information service. To be purposeful, networks rely upon reciprocity. There needs to be a balance of give and take.

Making the first contact is the first and most important stage in networking. It is important to establish good eye contact, introduce yourself and ask open-ended questions.

The Six Degrees of Separation is a phenomenon that is based on the premise that you only need six people to be able to reach anyone anywhere in the world; that is, you will know someone, who will know someone, who will know someone . . . leading to the desired connection to make the inevitable happen.

Belonging to a network is akin to belonging to a group, as members within a network:

- support each other and freely and positively give advice;
- hold sacred certain unchallengeable values and norms; and
- display common behaviours, certain dress codes and modes of thinking.

Table 15.1 outlines four types of networks that are found in organizations based on a common purpose of power, ideology, people or profession.

The entrance to the network is facilitated by identifying a gatekeeper, who is an influential member of the group. Personal sponsorship by a gatekeeper is important as this enables the person entering the network to become quickly acquainted with senior network members and enhance his or her channels of communication and success.

In any new position, individuals should quickly develop their own personal networks inside and outside their organization in order to satisfy their need for information and to establish their power base. This is particularly important in a management role where resources have to be obtained, relationships between organizational units established, and organizational politics managed. The rationale for this is that upon joining any organization, an individual is at first ineffective because they have not established their own internal organizational networks. This situation is often short lived, but until such networks are established communication and decision making that takes into account corporate culture and other differences cannot be totally effective in the new environment. For example, the individual will not truly know who they can trust, who to go to for accurate advice or information, or who their allies or supporters are likely to be. Whilst it is likely that they

Table 15.1 Different types of networks in organizations

Network	Description
Practitioner-oriented networks	These networks are formed for a common purpose that benefits those who belong. They comprise individuals who have similar expertise, training or professional interests. They provide true intellectual and professional stimuli for new ideas and innovations. In support of their ideals, they may attempt to influence other employees or organizations.
Power networks	Privilege or power networks comprise people who wield substantial influence or wish to be influential. These culture clubs operate through personal power bases. Introductions to the group are either by invitation or through the 'old school tie network'.
Ideological networks	Ideological networks comprise different types of people who wish to pursue particular ideas. Pressure groups are an example of ideological networks in that they are formed to pursue particular social objectives.
People-oriented networks	The most common networks in organizations are the people-oriented networks that exist for the sake of their members. These networks are important as they are valuable sources of information and support.

will have brought established external networks with people or organizations from their previous appointments, they will still need support, information and advice from within their new organization in order to deal with everyday internal matters.

Personal networks should be established with thought. Individuals operating in key areas such as the executive, finance and personnel sections and who are likely to provide support should be identified and contact made with them. It is often more favourable for the initial contact to be made on a face-to-face basis. This is more personal and polite and enables the person to explain who they are and exchange some of their work ideas and values on a one-to-one basis. In the process of the exchange it will become clear whether common values are held, whether support may or may not be forthcoming and whether the individual may be regarded as a useful ally and member of a network.

Personal contact also allows non-verbal communication channels such as body language to be assessed. The non-verbal communication processes will provide valuable information as to the actual support that may be given. In areas where vital relationships have to be established, and where initial reactions may not be as favourable as had been hoped, it is useful to continue to interact on a person-to-person basis. The positive side of the work relationship should be emphasized until such times as a firm relationship has been established.

Conclusion

Good interpersonal communications skills are critical when leading and managing information services. They are used to:

- discover underlying concerns and anxieties when sustaining the well-being of individuals in challenging circumstances;
- influence and get things done in the corporate environment and across organizational boundaries;
- maintain effective and ongoing relationships with key stakeholders;
- assess, select, manage and disseminate knowledge and information to meet customer needs;
- understand business and client needs;
- sell new ideas, concepts and business applications;
- identify operational issues affecting service delivery within the information service;
- convince the executive of the business value to be exploited from investment in technology; and
- manage strategic change and challenging circumstances.

Emotional intelligence is a legitimate leadership and personal communication tool for recognizing, reasoning and solving problems that involve emotions. In particular it is well suited to the values of Generations X and Y who look to more people-focused styles of leadership and to the philosophy that it is difficult to separate the impact of events in people's personal lives from those at work.

Networks are also a vital component of leadership and information service management. There are many business payoffs in networking, including obtaining access to critical information, coordinating work efforts and avoiding repetition, using them as a mechanism of influence to achieve outcomes, as well as providing personal support and advice.

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Managing Yourself and Others in Challenging Times

Managing and sustaining the well-being of individuals who work in the information service is another important function of the leader – as is taking the time to manage one's personal well-being as, in a busy and competitive environment, it is sometimes tempting to focus on the demands of the job and overlook one's personal life needs and those of others.

Career planning, personal development, lifestyle planning and stress management are all important strategies by which the information service can sustain and increase the contributions of individuals and prepare them for their future. Individuals also have an important part to play in managing themselves in a complex and changing world. Those who take personal responsibility for planning their career and lifestyle, knowing themselves better and managing their personal self image, as well as knowing how best to manage the stressors in their life, are more likely to be successful than those who do not.

New skills, mindsets and competencies are constantly required in the ever-changing world of information. Personal and professional development strategies should extend individuals' capacities and utilize their maximum capabilities to promote:

- personal growth and the ability to meet challenges and changing roles head on;
- improved personal performance and relationships;
- increased job satisfaction;
- improved quality of life and work-life balance; and,
- improved abilities to cope with the stressors of fast-paced changing environments.

New skills, mindsets and competencies are also acquired through training, leadership development and career planning – actioned and delivered as a joint effort involving the organization, management and the individual. These strategies need not be limited to the workplace; everyone has a part to play.

The information service has the role of providing the structure, career path opportunities and climate to encourage leadership development, career planning and personal development. The information services manager has a responsibility to ensure appropriate assignments, coaching and counselling to assist individuals in the realistic planning and attainment of their career objectives. Information services managers can also develop the talents of their people by providing encouragement and support to extend the boundaries of personal growth and development. As part of the appraisal system they can help individuals choose goals that can stretch them and help identify the means to attain them. From a professional point of view the manager can act as a role model, providing personal and professional qualities that individuals may strive to achieve.

The individual also has to accept responsibility for their growth and development. This includes identifying their long-term career plans and seeking assistance from the organization's personal and professional development programmes.

Personal Career Planning

The rapid and ongoing development of new technologies and fast-paced changing landscapes requires the continuous acquirement of new skills, mindsets and competencies. It also offers a myriad of career paths, and professional and personal business opportunities. Information specialist careers are diverse. A search on job websites during any day will find positions for business analysts, solutions architects, knowledge management lawyers, identity and access management, information analysts, information management data controllers, document management professionals – all of which require information management skills. One way of charting a way through the countless and endless possibilities in choosing a desired career path is to engage in futures thinking (see Figure 16.1).

Futures thinking, when applied to career planning, requires the individual to think about their chosen career future in terms of:

- up to three possible futures
- one probable (most likely) future
- the preferred future.

When considering all the possible, probably and preferred futures there is a fourth future that needs also to be considered in order to minimize its occurrence. That is, the future that you most fear. Once the feared future has been identified, strategies can be developed to minimize or ensure that the feared future does not occur.

In focussing on the preferred future, career strategies can be put in place to make this happen. For example what additional career strategies, skills, knowledge, mentors, location flexibility and so on are required to enable the preferred career future to happen? Action plans should then be developed to assist in the preferred career planning.

In considering possible and probable career futures, individuals can look for evidence of organizational direction and career path opportunities when determining where their own future lies.

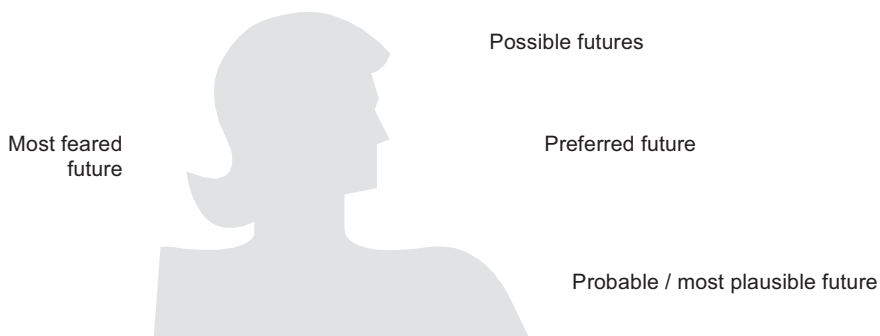


Figure 16.1 Career planning – futures thinking

Lifestyle Planning

Lifestyle planning includes making the most efficient and effective use of personal time at the operational (daily) and strategic (long-term) levels. Operational planning incorporates balancing the competing interests of work, home, family and relationships, travel time, personal fitness and other interests such as hobbies and cultural activities. Strategic planning includes longer-term personal goals, career development and retirement planning. Balance in lifestyle and making efficient use of time may include options such as working part time, or working from home.

Self-management of lifestyle begins with the individuals knowing or finding out more about themselves. This is done by critically analysing personal strengths and weaknesses, assets and liabilities. A mind map exercise can help as it allows the participant to identify and map out the important areas of their life as branches out of a central trunk. Each major branch indicates a significant personal development or lifestyle issue that influences their life. This can be further divided into more specific issues. A mix of concrete and abstract issues can be used. For example, concrete issues may concern work, home, religion, relationships, travel plans, personal and professional development. Abstract issues may include uncertainty about the future, needs or wants that are missing in a current lifestyle, or things to avoid. Each of the branches can then be colour coded to identify:

- areas to develop further
- dissatisfiers
- satisfiers.

Mind maps assist in creating a more balanced lifestyle as they identify:

- those areas that are going well (satisfiers) and those of concern (dissatisfiers)
- areas to develop
- areas of intense activity and those that are lacking in activity.

Self-Management

Managers devote many hours to managing organizations and others to achieve corporate objectives, but rarely is time given to managing themselves and their own personal image. Managing oneself involves:

- valuing personal time, effort and energy;
- acting confidently and believing in personal talents and skills to achieve goals;
- sustaining energy and personal fortitude;
- determining work-life balance;
- assessing priorities and saying no at times;
- deciding on a preferred future and taking ownership and responsibility for the outcomes; and
- learning from the past rather than regretting it.

Individuals may also review:

- their successes to reinforce their self-esteem;
- personal motives to question their true direction;

- their lifestyle balance to allow time for personal needs such as daily exercise and the enjoyment of simple things; and
- sources of personal conflict at work, in the home and elsewhere to create a more positive attitude and reduce tension.

PERSONAL IMAGE

The management of personal image is important if individuals are to be confident and have positive attitudes towards themselves. Image is a communication tool. It conveys an impression and message to others. If team members project an image of being confident, approachable and successful, that image will be reinforced to others.

Individuals should be encouraged to identify and manage the image with which they feel most comfortable. This includes identifying the message that the person wishes to communicate about themselves and reinforcing this. The image can be likened to a human package. It is communicated through mannerisms, appearance, dress, movement, speech patterns and personality. Facial expressions, posture and eye contact provide important information for others to judge levels of confidence. The sound, quality, intensity, rate and inflection of speech also project a powerful image. The ways in which people stand, sit and move influence others' first impressions.

Increasingly in the virtual environment individuals have to optimize and manage their professional digital presence and image. This includes protection of a person's digital identity integrity, using social networking tools as a strategic career profile and promotion device, as well as being professional in the use of Web tools, emails and instant messaging.

Stress Management

Stress is a response to an environmental force, either real or imagined, that interacts with an individual's tolerance level. It can have a motivational or stimulatory effect, or it can be damaging to the individual. Stress is the response that the human system makes in adjusting to the demands of activating life events. It is not the event itself. The life event is known as the stressor. All individuals are potentially vulnerable to stress, being constantly exposed to life events that are threatening, particularly in complex and changing environments. However, stress tolerances differ between individuals, some being more able to control or manage their responses to stressors than others.

Stress implies a vulnerability to a stressor. Individual vulnerability to specific stressors varies widely. Vulnerability alters with age and is related to phases involving change and failures in the life cycle. Vulnerability also changes according to day-to-day events, moods and individual experiences, roles of individuals in particular settings, perceptions of expectations held of the individual by others, and the ability to control or alter the situation. Stressors produce symptoms only when the context and vulnerability are ripe. The individual must be particularly vulnerable or be in a generally threatening environment to experience the effect of the stressor. Personality has a particular relationship to stress. Certain characteristics predispose individuals to experience more or less stress than their peers.

Stress is also a physiological state. The conditioned body responses, characterized by arousal to meet situational demands and relaxing when the task is accomplished, are natural characteristics of survival in transitory stress-producing situations. If these responses are allowed to accumulate beyond the adaptive capacity of the body they can result in physiological or psychological illnesses. This is because the build-up of physical energy inside the body is inappropriate to the modern life situation. Man is no longer a primitive animal requiring sudden bursts of energy for survival.

Stress is not necessarily unhealthy. Everyone needs a certain amount of stress in order to function well. It is constant or excess stress that produces unpleasant or harmful side-effects. If the stressor's force exceeds the individual's stress tolerance level it will have a debilitating effect upon the individual.

Occupational or status level bears no relationship to the incidence of stress-related disease. However, each stage of life has its particular vulnerability. It is important that these stages are recognized so that managers can assist themselves and their people to manage their stress levels. The stages are:

- young adult – the stage of transformation from child to adult. This is characterized by growing, maturing and learning;
- the 20s – the stage of establishing a home and career;
- the 30s – this stage provides minor crises of uncertainty concerning career choice;
- 35 to 55 – the so-called mid-life crisis stage. This is a potentially stressful stage when most people reach their status in life. It is a time associated with reflection, significant changes in occupation, interpersonal values and commitments, and role conflicts between family and career. The more ambitious a person is, the more they are likely to suffer; and
- the latter work years – this stage may be associated with apprehension of retirement or feelings of competition from younger members of staff.

Stress may be controlled or reduced by management techniques that can be employed at the individual or organizational level.

Managing Stress in the Workplace

People experience potential stressors in their everyday work situation, especially in changing and challenging environments. Role conflict, role ambiguity, role overload and role underload all have the potential to be stressors depending upon the vulnerability of the individual. However, as Raitano and Kleiner (2004) point out, stress management is as much the responsibility of employees as it is of managers. Both must maintain the lines of communication and feedback to determine appropriate means of diagnosis and a suitable mix of primary, secondary and tertiary prevention methods.

In their boundary-spanning role managers will be involved in investigating complaints, troubleshooting and interacting with people and situations, all of which may cause stressful situations. Planning, decision making, negotiating and other management responsibilities can have stress potential. Economic and time pressures, technological change and obsolescence are other environmental factors that are potential stressors.

Potential stressors for any individual in the workplace can be found in job insecurity, lack of work autonomy, unhappy work relationships, group conflict, constant work interruptions, lack of a defined career path, organization demands, promotions and demotions or transfers. Some individuals want to achieve perfectionism in everything that they do and place excessive demands upon themselves. These types of people are their own stressors.

In dynamic environments, people may perceive that changes are imposed solely for the benefit of the organization. Strategies to improve working conditions, increase opportunity, pay or security are interpreted as being intended to meet the goals of management, to increase productivity or reduce costs rather than for the benefit of the individual. This can create a lose-lose situation for management who have often tried very hard to improve the conditions.

The physical work setting, and health and safety practices can also be sources of stress. Desktop devices, networks, printers and other equipment that continually fail, a lack of

natural light and ventilation and poorly designed work areas can inhibit productivity and cause conflict, which in turn become potential stressors for people.

Balancing work and family responsibilities is also a source of stress. People can feel guilty about putting either their work or home responsibilities first; they may worry about the possible impact of promotion, relocation or changes in working hours on their family or partner, and they may experience role conflict between their responsibilities for their career and for their family. However, work can also be a mechanism for coping and a refuge from personal distress, boredom and meaninglessness. It can be the primary means through which people feel useful in society and life and develop a sense of identity.

Burn out is a physiological state of stress affecting both managers and their staff. Burn out is most likely to affect the best, the brightest and the most highly motivated. People who are susceptible to burn out are those who set high personal goals and achievements. Burn out can be minimized or avoided through stress management strategies at the organizational and individual levels.

Raitano and Kleiner (2004) identify three ways of alleviating stress in the workplace: primary, secondary and tertiary. Primary prevention is the elimination or reduction of factors that promote distress. Such methods are, among others, job design (redesign), participant management and flexible hours. Secondary methods involve moderating the stress response itself – relaxation training and physical exercise are examples. Employer-sponsored aerobic exercise sessions and relaxation sessions can assist. Tertiary prevention is the attempt to minimize or cope with excessive distress from inadequately controlled stressors and inadequately controlled or moderated stress responses. This includes intervention programmes to minimize drug abuse or alcohol abuse.

UNDERSTANDING STRESS AND PERSONALITY

Stress that is attributed to pressure is highly related to individual personalities. Certain personality characteristics predispose individuals to experience more or less stress than their peers with the result that some people will handle pressure better than others. The tolerance for stress will also differ according to the stressor.

Introverted people tend to be less sociable and may take longer to form relationships with people. In these instances a promotion may trigger a stress reaction for a period of time if it results in a job that involves working with different people. The additional responsibility is not the problem, just the act of being placed in unknown company.

Extroverts are people who need other people for various reasons. They work well in jobs requiring the establishment of interpersonal relationships. If they are confined to a lonely job they can become stressed.

Rigidly structured individuals are security oriented and afraid to take risks. They are stressed by anything that upsets their routine. They are uneasy in implementing new ideas or solutions that have not been tested.

Hard-driving, work-oriented individuals are stress prone. They compulsively push activities to capacity and are extremely performance conscious and goal oriented. They seek honour and recognition but rarely achieve self-confidence as they are always looking at acquiring ever-increasing skills. This stress-prone individual's outlook causes continuous work overload.

Stress reducers may be as serious as those that are stress prone about getting the job done, but will seldom become impatient. They are less competitive and less likely to be driven by the clock. They work without agitation and find time for fun and leisure. Aware of their capabilities and confident about themselves, they lead a fuller, less stressful, richer life than their stress-prone counterparts.

Risk avoiders are excessively careful. They are afraid of making decisions as this threatens their security. They experience constant inner tensions through feelings of inadequacy and dependency. Restrictive in innovative thinking, they avoid exploring new ideas. They will also avoid transfers or promotions, clinging to positions that have given them security and success in the past.

Flexible people usually have healthy, mature egos and can adapt to changing situations, whilst tolerating a high degree of stress. Challenges may be seen as stressors, but this will not impede their ability to cope.

Individuals who have high self-esteem can deal with stress and frustration more easily. Faced with a pressure situation, performance is likely to improve. There is a strong sense of confidence in their ability to conform and optimism in their approach to performance. Individuals with low self-esteem will be overwhelmed and show a sharp decrease in performance if stress is applied. This is particularly true if stress is associated with a new job.

Type A and Type B behaviours

Type A individuals have behaviours that are typical of many managers and senior executives. Type A personalities are extremely competitive, constantly struggling with the environment at work, in sport and at social functions. They focus upon gaining power, recognition, money and possessions in a short period of time, and portray excessive strivings for achievement. Sometimes this is accompanied by underlying feelings of hostility towards others, whom they consider to be roadblocks. The hostility may be subtle or undetected until people stand in their way.

Type A individuals are fast talking, having a sense of urgency concerning time. They thrive on deadlines, create them if they are not set and become impatient if goals and objectives are not achieved. Their work habits and their interpersonal relationships are critical in contributing to the fact that Type A personalities are three times more likely to develop cardiac disease or hypertension than Type B personalities.

Whilst Type A personalities are outwardly confident and self-assured, they can have an underlying insecurity. They may overreact to situations and can be hypercritical both of themselves (to themselves) and of others. Type A managers or those managing Type A people need to manage their own or others' stress-inducing activities and lifestyles actively so as to reduce the risk of illness without sacrificing drive and enthusiasm.

In contrast, Type B personalities have an easy-going relaxed approach to life. They hold a rational approach to achievement and recognition. They experience positive interpersonal relations and maintain a balance between work and other events. They rarely have desires to become materialistic.

Stress Management Techniques

Professional and personal relationships are among the most useful weapons of sustaining and supporting people against the distress of work and other people's demands. Effective listening skills, seeking advice, information and feedback and encouraging input from others can make decision making less reactive and crisis oriented. Truth and honesty are important in working relationships as mixed messages or inaccuracies can be stressful to deal with. Supportive working relationships also reduce work stress. The social support offered by the relationships has a buffering effect upon the job demands, providing psychological and emotional support for the individual's well-being.

Personal planning processes can help achievement-oriented individuals. The analysis of individuals' strengths and weaknesses and the periodic reassessment of their vocational, societal and personal goals and aspirations may allow more realistic goal horizons to be set.

Good time-management skills and knowledge of personal body clocks are also a means of reducing the negative impact of stress and increasing an individual's sense of well-being. Where possible the most demanding parts of the job should be handled during the high part of the daily cycle when the individual is most alert; the less important events should be scheduled in the lower part of the cycle.

Preventative stress management strategies can also be employed in the work environment. By altering, modifying or eliminating unnecessary or unreasonable organizational demands, managers can reduce stress in the workplace. Secondly, coping skills aimed at improving the individual's response to and management of organizational demands should be offered.

Inappropriate work and physical demands can be prevented by job redesign, flexible work schedules and family-friendly work policies, provision for adequate career development and the design of the physical work settings. Role and interpersonal demands can be prevented from being stressors by team-building, providing social support, goal-setting programmes and role analysis techniques.

Individual stressor demands can be controlled by the individual managing their perceptions of stress, and by managing their work environment and lifestyle. Individuals should also have access to physical and emotional outlets such as sporting activities, exercise routines and interpersonal relationships. Counselling and psychotherapy may also be needed. Meditation, corporate opportunities for physical activity and rest, progressive relaxation techniques and moderation in diet and drinking alcohol will also help alleviate stress.

Conclusion

Career planning, professional development and learning involve an investment by the individual and the organization. As a responsible corporate citizen, the information service can provide lifestyle and stress management techniques and access to counselling services to assist individuals in managing and balancing their lifestyle and can engender a sense of well-being. Development opportunities to learn new skills through conferences and work experience can also fill knowledge and skills gaps needed in the knowledge age. A good programme will result in newly acquired knowledge, skills or behaviours. It should also enthruse participants to want to master these new 'tools' and to practise them in the workplace. For the newly acquired knowledge, skills or behaviour to be locked in, they must be applied back on the job. There must be active support and involvement in the workplace for this to happen. The immediate supervisor should be involved in meetings before and after the session with the participant(s) to determine the purpose of the programme, to set individual goals and objectives of the session(s), to look at ways in which the newly acquired behaviour can be reinforced back in the workplace, and to evaluate the outcomes of the programme.

Lifestyle planning acknowledges that work cannot be considered in isolation from other influencing factors. It incorporates balancing the competing interests of work, home, family and relationships, travel time, personal fitness and other interests such as hobbies and cultural activities to create a holistic approach to life.

In concentrating on providing opportunities for the development of others as a significant management task, it is sometimes easy to neglect personal professional and development needs. Self-management is not an act of self-indulgence; it is an important part of self-development. It includes paying attention to self-image, keeping abreast of change in the external environment and career planning.

The ability to manage the well-being of individuals who work in the information service is important from a duty-of-care perspective as well as from a motivational viewpoint. It is an important management role to ensure that the physical setting, health and safety practices,

work relationships and job structures do not create unnecessary stress for individuals. The ability to help individuals manage their responses to stress and to minimize the stressors in the workplace will also result in a happier and more productive workforce.

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PART IV

GOVERNANCE AND SOCIAL RESPONSIBILITY

The theme for Part IV is effecting high performing organizations through good corporate governance, sustainability and social responsibility. Part IV takes the view that the important features by which organizations are increasingly judged, namely trust and corporate reputation, is predicated on the organization having good governance, transparency in decision making and social responsibility. This can be achieved by having an integrated approach to transparency and accountability, choice and influence in actions and decision making, realistic risk management strategies, effective security and a focus on sustainability – all of which enhance and support the need to account to stakeholders for the performance of the organization through evaluating benefits and performance.

Along with customer satisfaction and profitability, public and private sector organizations are being judged on the manner in which they encourage sustainable development, and demonstrate social leadership and corporate ethics. Chapter 17 explains the concept of good governance and how this can be reinforced through ethical behaviour and codes of conduct. It also considers the need to ensure sustainability in decision making, programmes and projects as well as the need to manage the many different forms of capital.

Power and influence are at the core of governance practices. Chapter 18 explains how accountability, authority and influence can be affected by power and identifies how individuals often acquire power within organizations. The chapter also considers how influence is used to get things done and how power can be institutionalized in authority. Finally the power–authority continuum is extended to the process of delegation, whereby authority can be distributed throughout the information service so that others may share the work and responsibilities.

Transparency is also an important component of good governance. Transparency can be assisted through open decision making and communications, the theme of Chapter 19. This chapter acknowledges that decisions are influenced by perceptions, emotions and intuition and that the potential for these to provide a biased viewpoint needs to be taken into consideration. Chapter 19 explores the appropriateness of different decision-making styles in ensuring transparency in decisions.

Communication is the vehicle through which decisions and policies that are critical to good governance are made and conveyed within the organization and externally. Chapter 19 includes how governance can be managed through effective communications including reports and meetings as well as a model for a corporate communications plan.

Sustainability is the capacity to endure, which from the perspective of the information service and its parent organization is to survive, grow and prosper in continually changing and challenging circumstances as well as drawing upon, managing and using resources in a sustainable manner. Chapter 20 explains how sustainability can be incorporated into core

values and taken into account in ensuring effective governance and decision making within the information service and, secondly, the sustainability issues that need to be considered and incorporated into information service delivery.

Chapter 21 identifies major risks that can affect information services. The chapter advocates that a business perspective should be taken for each, including the need to plan according to the event and its impact on the business of the organization.

Chapter 22 focuses on sustaining trust and continued operations in organizations. This includes the issue of security, the objective of which is to preserve the confidentiality, integrity and availability of information, as well as ensure the trust and integrity in online services and transactions through authentication and non-repudiation. Responsibility for security is found at all levels of the organization. The chapter identifies different security threats and how these can be overcome through the appropriate management of people, information, physical environment and the technology. The choice of security level is a business issue. It also addresses access controls and lists other good management practices that maintain the integrity, availability and confidentiality of information. Chapter 22 also considers business continuity issues and treats disaster recovery as a component of business continuity.

An important part of the governance process is to ensure a return on investment and that the organization is performing to expectation. Chapter 23 considers the management issues associated with projects to ensure that they deliver the return on investment for the organization. It also provides details on how the return on investment for information products and services can be enhanced and strategies for charging for information products and services. Chapter 23 also provides strategies for measuring and evaluating performance. It describes the performance evaluation process and how performance can be measured in different work units. This requires consideration of outputs and outcomes, quality and value, cause and effect. Information has specific qualities that make the measurement of its value more difficult. Different mechanisms for measuring its value are explored. The chapter also includes examples of performance indicators that can be used in information services and identifies some criteria for performance.

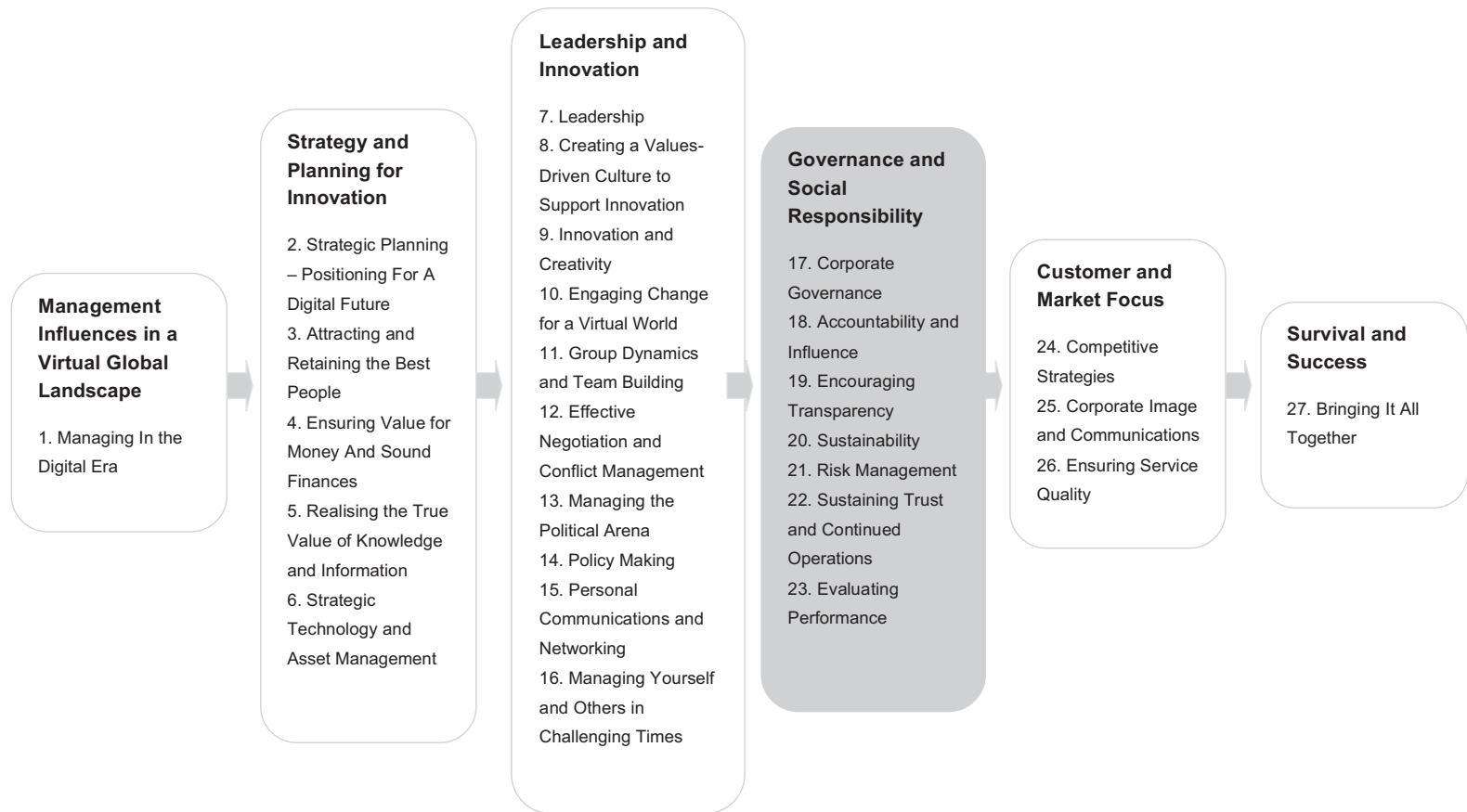


Figure PIV.1 Governance and social responsibility

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Corporate Governance

Ensuring good corporate governance is far more than complying with a legal and regulatory regime. It is a future-shaping activity, in which directions are set and managed, and decisions made with sustainability, ethics and integrity in mind. Corporate governance is about transparency and accountability, choice and influence in actions and decision making: choices that can lead to effective and ineffective impacts and consequences, or sustainable and unsustainable futures; as well as using or misusing power to influence outcomes, or doing the right thing versus the wrong thing.

Rapid transformations in science and technology, business and society, and uncertainty about the future and growing domains of inconceivability in the external environment present complex dilemmas in decision making, where the impact of making the wrong judgement can be devastating for employees, the organization or the broader community. Good corporate governance structures can help to ensure the correct and sensitive resolution of such complex problems and proposals to ensure sustainability and value for today and the future. This does not mean that executive management has to be an expert on each and every issue that arises. Rather it is knowing when to seek independent expertise and professional advice to supplement their collective knowledge and expertise.

Effective corporate governance is a value-added activity that is the responsibility of everyone in the organization, including, where it exists, the organization's oversight body or governing board. It enhances the increasing importance of corporate reputation and provides a level of confidence for customers and stakeholders in the ability of the organization to:

- achieve excellence and quality of output;
- embrace a sustainable future;
- meet its corporate and legislative responsibilities; and
- meet the ultimate accountability requirements.

The Chief Executive is ultimately accountable for the organization's reputation, decision making, compliance, direction and outcomes. This involves establishing a sound foundation through their leadership style and ethical behaviours, instituting and maintaining the right corporate culture, making sure that different forms of capital are identified and managed in a sustainable manner, and ensuring that effective organizational structures, oversight entities and systems are in place to ensure good corporate governance.

Senior management has a responsibility for upholding and reinforcing the desired corporate culture, ensuring the integrity of governance systems, structures, policies, practices and procedures, that staff are aware of and understand the policies and procedures, that value is added when duties are discharged, that rights are recognized and acknowledged, and that adequate procedures and practices are in place to support good governance and responsible decision making. Individuals are accountable for their own ethics and integrity in outlook, practices and decision making, as well as for ensuring that they follow the correct procedures and practices.

Corporate Governance Principles

The Australian Stock Exchange Corporate Governance Council (2014:4) has identified eight central principles for good corporate governance, which have been adapted to meet the needs of information services:

1. Lay solid foundations for management and oversight: information services should establish and disclose the respective roles and responsibilities of its senior management and oversight bodies such as boards and show their performance is monitored and evaluated.
2. Structure the board to add value: establish oversight bodies such as a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.
3. Act ethically and responsibly: integrity, ethical and responsible decision making should be promoted amongst those who can influence strategy and financial performance.
4. Safeguard integrity in corporate reporting: formal and rigorous processes should be put in place that independently verify and safeguard the integrity of the organization's financial and other reporting.
5. Make timely and balanced disclosure: there should be timely and balanced disclosure of all matters concerning the information service that a reasonable person would expect to have a material effect on the organization.
6. Respect the rights of security holders: the rights of all stakeholders should be recognized and upheld. They should be provided with appropriate information and facilities to allow them to exercise those rights effectively.
7. Recognize and manage risk: a sound risk management framework should be established and periodically reviewed for the effectiveness of that framework.
8. Remunerate fairly and responsibly: the level and composition of remuneration should be sufficient and reasonable to attract, retain and motivate high-quality senior executives and to align their interests with the creation of value for stakeholders.

Corporate Governance Document

In order to promote transparency most organizations are required to have a document that outlines the structure upon which it bases its corporate governance. A corporate governance document outlines the necessary contextual and structural framework, division of responsibilities, principles, responsibilities and procedures through which governance is enacted and supported within the organization. Text Box 17.1 outlines the suggested content for a corporate governance document and relates this to the corporate governance model.

TEXT BOX 17.1 SAMPLE CONTENTS OF A CORPORATE GOVERNANCE DOCUMENT

Corporate Governance

1. Mission, values, objectives, aims, principles and accountability

Outlines the strategic context of the direction of the organization (relates to the Strategic Plan component of the Strategic Framework in the Corporate Governance Model):

- 1.1 Mission Statement
- 1.2 Values of the organization
- 1.3 Objectives

2. Roles, responsibilities and Code of Conduct for Governing Body

Establishes the legal and regulatory framework and governance structure including sources of responsibility, authority and conduct for the Governing Body and defined governance and oversight roles (relates to parts of Accountability and Compliance Framework in the Corporate Governance Model):

- 2.1 Constitution of the organization
 - 2.1.1 Legislation and regulation
 - 2.1.2 Registration details
- 2.2 Constitution of the Governing Body
 - 2.2.1 Governing Body Charter
- 2.3 Summary of activities of the Governing Body
- 2.4 Performance measures of the Governing Body
- 2.5 Role and responsibilities of the Chairperson
- 2.6 Role and responsibilities of the Governing Body
- 2.7 Role and responsibilities of individual Board Members
- 2.8 Personal liability of the Board Members
- 2.9 Appointment of Committees and Advisory Groups
- 2.10 Board Code of Conduct
- 2.11 Management of complaints
- 2.12 Audit Committee
- 2.13 Details of other committees established by the Board
- 2.14 Review of Board effectiveness
- 2.15 Role and responsibilities of Chief Executive Officer – including appointment procedures, delegated authority, designated Accounting Officer for organization
- 2.16 Delegations – outlines roles and powers reserved for the Board and those that are delegated to the Chief Executive Officer, for example corporate governance, strategy, audit issues, budget, annual report and accounts, quality, performance management, risk management, human resource management, privacy, communications

3. Accountability and compliance

Defines responsible and ethical decision-making processes and other accountability mechanisms (relates to parts of Accountability and Compliance and Strategic Frameworks in the Corporate Governance Model):

- 3.1 Aims of the governance arrangements including what is to be achieved
- 3.2 Principles that govern the decisions made by the organization and its governance board, for example observing highest standards of propriety and integrity, strategic priorities, maximizing value for money, accountability regime, openness, internal controls
- 3.3 Review mechanisms for governance arrangements
- 3.4 Accountability mechanisms, for example reporting including the annual report, strategic plan, audits, complaint resolution process, disclosure and transparency including declaration of interests

4. Standing orders

Provides the procedural framework under which the organization discharges its business (relates to parts of Accountability and Compliance and Integrity Frameworks in the Corporate Governance Model):

- 4.1 Place of Business
- 4.2 Meetings – calling of meeting, notice of meeting, business transacted, quorum, record of attendance, chairmanship, voting, adjournment, minutes, urgent business, meeting procedure, standards of conduct at meetings

- 4.3 Committees, membership of committees and advisory groups
- 4.4 Conflicts of interest – declaration of interests, exemptions, register of interests, gifts and hospitality
- 4.5 Information – use of information
- 4.6 Appointments – no soliciting for appointment, relatives as candidates
- 4.7 Indemnity
- 4.8 Use of Common Seal – custody of seal, authority for sealing of documents, register of sealing
- 4.9 Appointment of auditors
- 4.10 Suspension and amendment of standing orders, including review of standing orders

5. Statutory framework

Outlines statutory framework under which the organization operates, (relates to parts of Accountability and Compliance Framework in the Corporate Governance Model), for example:

- 5.1 Freedom of Information Act
- 5.2 Corporations Act
- 5.3 Privacy Act

6. Financial framework

Outlines the financial framework of the organization (relates to parts of Structure and Resources Framework in the Corporate Governance Model):

- 6.1 Financial policies
- 6.2 Capital investment and asset management
- 6.3 Treasury management and banking
- 6.4 Debt management
- 6.5 Procurement
- 6.6 Creditor payments
- 6.7 Taxation
- 6.8 Budgetary control
- 6.9 Risk management and insurance
- 6.10 Internal controls
- 6.11 Audit
- 6.12 Accounting systems
- 6.13 Claims and litigation
- 6.14 Fraud
- 6.15 Fees and charging
- 6.16 Expenses

7. Human resource framework

Provides the governance context for the management of people in the organization (relates to parts of Structure and Resources Framework in the Corporate Governance Model):

- 7.1 Remuneration
- 7.2 Appointments
- 7.3 Conditions of employment
- 7.4 Commitment to workplace diversity
- 7.5 Occupational health and safety
- 7.6 Succession planning

8. Sustainability and social responsibility

Outlines the roles and responsibilities to enable sustainable outcomes and meet corporate social responsibilities (relates to parts of the Strategic Framework in the Corporate Governance Model):

- 8.1 Protection and conservation of the environment
- 8.2 Achieving a sustainable future
- 8.3 Corporate social responsibility

9. Communication and disclosure

Outlines how decisions and matters of interest will be communicated (relates to parts of the Integrity Framework in the Corporate Governance Model):

- 9.1 Openness and transparency
- 9.2 Timely and balanced disclosure
- 9.3 Stakeholder engagement and communications

10. Interpretations

Corporate Governance Model

Corporate governance comprises the systems, structures, practices, procedures and corporate culture that organizations have in place to minimize risks and exposures and optimize performance and accountability. Figure 17.1 illustrates how these can be brought together in a corporate governance model to enable the organization to meet its corporate governance obligations. The model provides a framework for corporate governance and outlines the structures, practices and processes that support accountability, transparency and compliance; a strategic framework that addresses the future direction, risks, quality and performance; an integrity framework that sets out values and required conduct; as well as having the correct structures and resources in place to fulfil the organization's responsibilities. To maintain the integrity of these systems, structures, policies, practices and procedures, it is necessary for them to be reviewed for their effectiveness at least annually. Further discussion on many of the topics identified in the frameworks below can be found in other chapters in the book.

ACCOUNTABILITY AND COMPLIANCE FRAMEWORK

The accountability and compliance framework for good corporate governance addresses the roles and responsibilities, systems, structures, processes, legal and regulatory frameworks that support transparency and good governance, responsible and ethical decision making, and disclosures such as declarations of interest and reporting. Board charters and the requirement to account for activities and expenditures such as through the annual report are also included in this framework. The accountability and compliance framework defines service levels and avenues for redress such as a complaints resolution process. It includes the internal controls that organizations use to communicate what is expected of staff, for example making new employees aware of the organization's expectations with regards to accountability through the induction process.

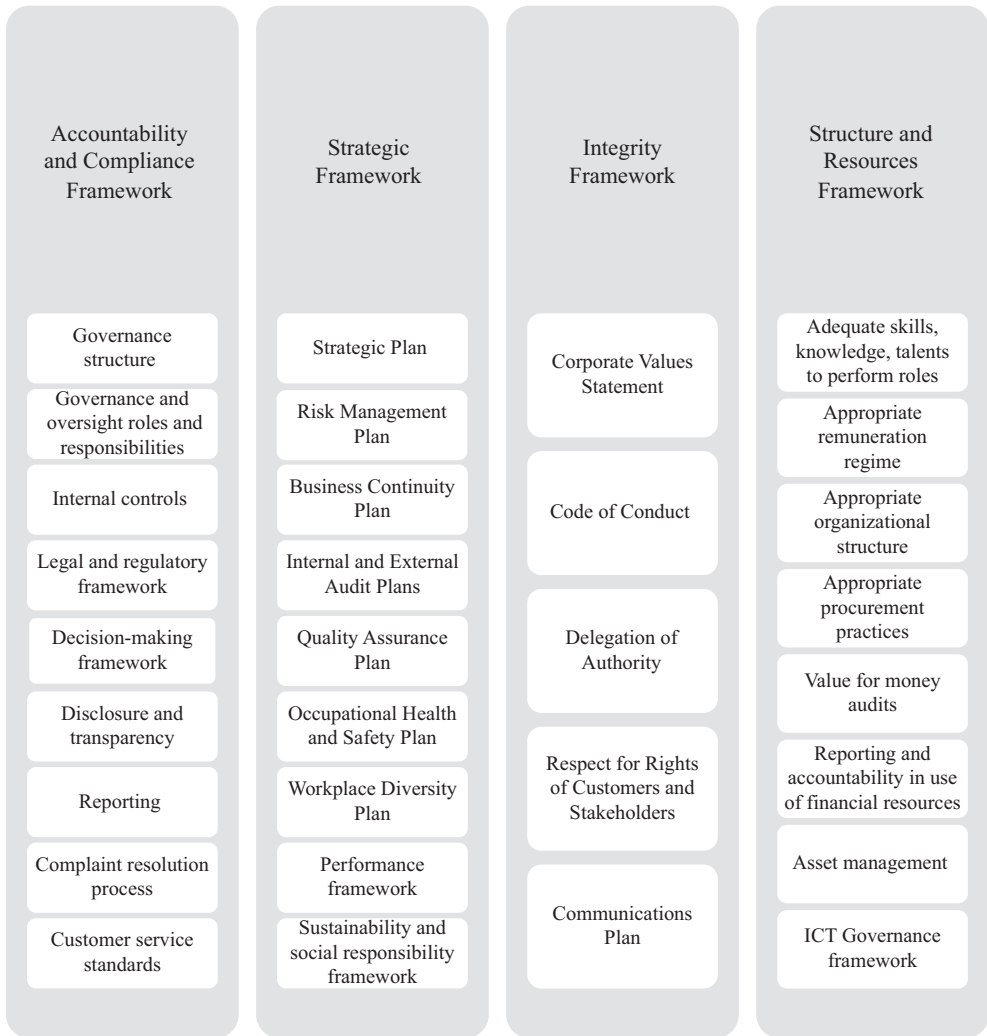


Figure 17.1 Corporate governance model

STRATEGIC FRAMEWORK

The strategic framework considers both the future direction of the organization and the critical factors that are necessary for the organization to manage and address risks and to be operationally sustained and survive in challenging environments. It brings together the Strategic Plan and other specific plans that are in place to ensure that the operations of the organization function correctly. Examples include the risk management plan, business continuity plan, performance frameworks by which individual and organizational performance can be judged, as well as externally facing obligations such as sustainability and social responsibility.

INTEGRITY FRAMEWORK

The integrity framework addresses the ideology, systems, processes and policy frameworks that need to be in place to meet public and social accountability standards and to foster a

corporate culture through which honour, reliability and the respectability of the organization can be instilled and sustained. Included in the integrity framework are corporate values – a code of conduct that outlines the code of ethics, how official information may be used, how records should be kept, guidance on how corporate resources may be used, how conflicts of interest can be identified and managed, and how gifts and hospitality should be declared, accepted and managed. The integrity framework can also address the rights of customers and stakeholders and outline plans for how stakeholders are informed and kept abreast of developments, engaged for their support and how major events are communicated. This is separate to the communication of disclosures that is a necessary part of the accountability and compliance framework.

CODES OF CONDUCT

Good corporate governance ultimately requires people to act with integrity with today and the future in mind. Whilst societal values, the justice and political systems provide the broad framework within which ethical values operate, ethical behaviour and integrity are also interpreted according to individual values, culture and experience. What may be considered integrity and ethical behaviour to one person could be considered inappropriate to another. A code of conduct sets the organizational boundaries and individual responsibilities for what is considered to be the desired level of integrity and ethical behaviour in situations where personal values systems can be challenged or differ.

A code of conduct recognizes that most people want to do the right thing, but that certain environments present opportunities for temptation and/or material gain. The code is particularly useful in environments where there are financial functions, intense competition, or opportunities for insider trading or conflict-of-interest situations to occur. In dealing with issues related to codes of conduct, perception is just as important as reality. Safeguarding corporate reputation and integrity requires the use of the test as to whether it could normally be perceived that an advantage was taken or that a conflict of interest arose out of a situation.

Public and social accountability, which is based on the notions of legitimacy, fairness and ethics, goes further than good governance. As part of the quest for quality management, standards for ethics and integrity are also important in the pursuit of excellence. Ethical standards in the form of codes of conduct define what is right and wrong in terms of the behaviour of individuals towards others, and how those in a position to influence materially the integrity, quality, strategy and operations of the information service can and should operate. Codes of conduct reinforce the roles of executive management and their responsibilities to set standards and demonstrate by example issues such as quality customer service, respect for customers and stakeholders, open communications, honesty, fairness and equity, respect and integrity, and accountability. They enable employees to judge what is right and wrong behaviour.

The nature of the activities of information services means that people are often privy to insider information, other commercial and personal information and financial transactions, either directly or indirectly, that could be used for personal gain. A clearly articulated policy in a code of conduct can assist individuals to deal with confidentiality, ethical problems and conflicts of interest. Ethical policies in the form of a code of ethics that might form part of the code of conduct also guide the necessary behaviour standards and practices to maintain confidence in the integrity of the information service. Ethical policies, code of ethics and in-house ethical committees are useful mechanisms for linking ethical behaviour to the corporate values, providing support in recognizing and dealing with ethical compliance

issues, reinforcing personal responsibility for ethical behaviours as well as making ethical conduct easily understood.

Ethics are generally based upon three principles:

- utilitarian principles, such as the greatest good for the greatest number and responsible care, and accountability in the use of resources;
- individual rights, or respect and protection of the basic rights of individuals such as the rights to privacy, to free speech and to due process; and
- justice, where fair and impartial rules are imposed and enforced on everyone to ensure the equitable distribution of costs and benefits.

The Australian Stock Exchange Corporate Governance Council identifies several areas for inclusion in a code of conduct that has been adapted as follows to meet the needs of information services:

- Conflicts of interest – managing situations where the interest of a private individual (who may or may not be an employee) or group interferes with or appears to interfere with the interests of the information service or organization as a whole. An example might be where a member of staff has strong religious convictions and attempts to influence the selection policy of a library.
- Corporate opportunities – preventing employees or stakeholders from taking advantage of property, information or position, or opportunities arising from these, for personal gain or to compete within the organization. Examples include where a manager attempts to influence the selection of a candidate who is a close friend for a position, or where a senior executive accepts the offer of hospitality such as a free overseas trip from a supplier.
- Privacy and confidentiality – restricting the use of non-public information except where disclosure is authorized or legally mandated. The right to know principle is appropriate here. Even when there may be no harm intended, or intention of disclosure to a third party or for personal gain, the act of unnecessarily accessing personal information from a system is in breach of confidentiality. For example, unauthorized access to the personnel record of an individual or tracking their use of websites out of personal interest can constitute a breach.
- Fair dealing – by all employees with the information service's customers, suppliers, competitors and employees. For example the provision of preferential treatment to certain customers to the detriment of others, or favouring one supplier over another because they have the best festive season parties.
- Use of the information service's assets – protecting and ensuring the efficient use of assets such as vehicles and ICT for legitimate business purposes. Acceptable use is appropriate here. For example, the use of corporate time and equipment quickly to undertake electronic banking may be more productive for the information service and individuals than their visiting a bank. However, the continuous use of electronic devices for gaming purposes during work time would not be considered to be a legitimate or efficient use.
- Compliance with laws and regulations – active promotion of compliance. Examples here include compliance with occupational, health and safety regulations, equal employment opportunity awards, consumer protection regulations, corporate taxation and financial reporting requirements, and environmental laws.
- Encouraging the reporting of unlawful/unethical behaviour – active promotion of ethical behaviour and protection for those who report violations in good faith. Whilst

confidentiality may not always be guaranteed, it is important to develop a culture where inappropriate behaviour is not condoned, that appropriate action will be taken when reports are received, that employees are enabled to disclose potential misconduct without fear of retribution, and that exposure is considered an important obligation to maintain an ethical corporate culture.

The presence of a code of conduct does not in itself ensure good corporate governance. An understanding of the contents and what constitutes compliance is necessary for all employees and key stakeholders. The objectives and content of the code of conduct should be readily available on the corporate intranet, visibly promoted on a regular basis and explained to new employees as part of the induction process. Compliance with the code of conduct should be continuously monitored by management, and any departures quickly dealt with.

Managing conflicts of interest

Conflicts of interest are important considerations within the integrity framework as this is an area that is often clouded by individuals' personal values, judgements and interpretations of what is right and wrong. The Organisation for Economic Co-operation and Development (OECD) (2003:16) also promotes four core principles for public sector organizations to deal with conflict of interest situations, to promote integrity and for maintaining public confidence:

- serving the public interest;
- supporting transparency and scrutiny;
- promoting individual responsibility and personal example; and
- engendering an organizational culture which is intolerant of conflicts of interest.

Identifying a conflict of interest is an individual responsibility. The person who has identified that they have a conflict of interest or a potential conflict of interest should immediately declare it to their supervisor or manager in writing. In turn senior management must actively manage or resolve any real or perceived conflicts of interest of which they become aware.

Conflicts of interest may be actual, or be perceived to exist, or potentially exist at some time in the future. Perception of a conflict of interest is important to consider because public confidence in the integrity of an organization is vital. For example a potential conflict of interest may occur where a person has an interest in a matter under consideration by the organization such as undertaking a contract with a company owned by a member of the person's family. An actual conflict arises where the person fails to disclose a potential conflict of interest, and participates in deliberations on the matter, as if the conflict did not exist.

It is not always possible to avoid a conflict of interest, particularly in some specialist industries. A conflict of interest in itself is not necessarily wrong, or unethical. However, a failure to declare a potential or actual conflict of interest is wrong and unethical. Declaring a potential or actual conflict of interest is also an important step in identifying and managing the situation. Some common risk areas where conflicts of interest occur include:

- managing procurement processes, tenders and contracts;
- obtaining sponsorship from a third party;
- allocating grants;

- accepting gifts, benefits and hospitality;
- undertaking recruitment, selection and appointment; and
- undertaking secondary employment.

There is no one 'right' way to identify every situation, however a good starting point is to consider the following six Ps:

- Private interests – do I have personal or private interests that may conflict, or be perceived to conflict with my employer?
- Potentialities – could there be benefits for me now, or in the future, that could cast doubt on my objectivity?
- Perception – how will my involvement in the decision/action be viewed by others? Are there risks associated for me or my organization?
- Proportionality – does my involvement in the decision appear fair and reasonable in all the circumstances?
- Presence of mind – what are the consequences if I ignore a conflict of interest? What if my involvement was questioned publicly?
- Promises – have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

Declaring the potential conflict of interest to a supervisor or manager and making a written record of the disclosure in a register is an important first step. Following this an assessment should be made of the situation and a strategy for dealing with the proposed or actual conflict determined. This might include restricting the employee's involvement in the matter, for example, refraining from taking part in debate about a specific issue, abstaining from voting on decisions, and/or restricting access to information relating to the conflict of interest. Other options such as relinquishing the personal or private interests that are the source of conflict may need to be considered.

STRUCTURE AND RESOURCES FRAMEWORK

How the structure of an organization and associated organizational assets are resourced and managed also influences the degree to which accountability and answerability can be realized. To be sustainable an organization requires an appropriate structure with the commensurate resourcing and remuneration of skills, talents, knowledge to perform the desired roles, the appropriate allocation of budget and accountability in financial and procurement practices, as well as specialized governance mechanisms for the management and deployment of ICT and other assets. The Structures and Resources Framework outlines the desired level of resources and includes reporting and accountability in the use of these resources, including financial accountability.

Conclusion

The capacity to govern effectively is derived from human will and choice, either as an individual or as a group. Corporate governance requires sound management practices that provide effective oversight, promote integrity, enable transparency in decision making, add value in all processes, manage risk and enable the capacity to make the right decisions. This is sustained through a code of conduct and corporate culture philosophy that is inclusive and upholds ethics and integrity in decision making.

Effective corporate governance comprises structures, practices and processes that support accountability and compliance; a strategic framework that addresses the future direction, risks, quality and performance; and an integrity framework that sets out values and required conduct; as well as the correct structures and resources in place to fulfil the organization's responsibilities. Together these minimize risks and exposures and optimize performance and accountability.

The principles that support good corporate governance include:

- establishing sound foundations for management and oversight roles;
- ensuring that there is an effective structure, skills, experience and independence to support the nature of the operations now and in the future;
- promoting integrity, ethical and responsible decision making;
- safeguarding integrity, accountability and verification in financial and other reporting;
- maintaining a corporate culture, practices and procedures that support timely and objective disclosure of all material matters concerning the organization;
- respecting the rights of all stakeholders;
- managing business decisions through effective oversight and internal control;
- having formal mechanisms that lead to enhanced management skills and governance;
- ensuring that the level and composition of remuneration is sufficient and reasonable to attract the skills and expertise required;
- recognizing the impact of actions and decisions on the legal obligations and interest of all stakeholders; and
- responsibly managing different forms of capital for a sustainable future, wealth and to add value.

In order to promote transparency most organizations are required to have a document that outlines the structure upon which it bases its corporate governance. A corporate governance document outlines the necessary contextual and structural framework, division of responsibilities, principles, responsibilities and procedures through which governance is enacted and supported within the organization.

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Power and Influence

Power and authority are behavioural processes that are manifested in influence and determine the way in which governance is acted out. Power is the ability to influence others and is increasingly important in order to sustain an organization in challenging times – for example in convincing financial organizations to advance funding to support business growth or in undertaking a merger of services. Power is legitimized in authority. Power may be sought and used by individuals or groups, particularly in times of change. The quest for power can lead to healthy and productive competitive outcomes or it can result in disruptive, selfish or harmful behaviours, where the outcomes are not as beneficial.

Authority is institutionalized power. It is based on position, personal characteristics, expertise and knowledge, and the situation. Authority can be delegated by giving responsibility and authority to others to execute a job. However, the manager or persons involved in the act of delegation are still accountable for the outcomes.

Understanding the Use of Power

Power has a classical double meaning of:

- the ability to influence the activities of individuals, groups, organizations, societies and nations; and
- determining who gets what, when and how.

This is because power is the capacity or potential of one unit to influence or elicit compliance in another in relation to behaviour or attitude. This may be willing or unwilling, conscious or unconscious compliance. Whilst an individual or group can have the capacity and potential for power, they may never use it.

The word 'power' often has negative connotations. This is the result of many people associating power with its abuse rather than its ethical use. A test of good governance is to avoid the abuse of power. This requires a good understanding of the various power sources and how to use these effectively to persuade and influence ethical outcomes rather than control people and situations for personal gain.

POWER BASES

The acquisition and use of power is a natural process within organizations. French and Raven (1959) have defined five sources of power: three are organizational sources whilst the other two are personal. Reward, coercive and legitimate powers are the three power bases derived from positions within the organization. Expert and referent power are personal power sources.

Reward power

Reward power stems from the ability of an individual to provide tangible rewards in return for certain outcomes. People will comply with the requests of others if this will result in a positive benefit. The power base is contingent on the individual perceiving that:

- the person has sufficient authority to be able to offer rewards; and
- the reward is perceived to be a benefit.

The requests should also be perceived to be feasible, proper and ethical, and the incentive sufficiently attractive and at a level that could not be attained by another less costly course of action. For instance, if an assistant records manager asked a staff member to work late for an hour one night in exchange for two hours off during the following day, the request would be considered in the light of whether:

- the person had the authority to grant the two hours off, or even to ask the person to stay behind in the first place;
- the staff roster situation and personal workload made it feasible to take the two hours off the next day;
- the activities already planned for that night were of more importance; and
- someone else was available and prepared to work late.

Coercive power

Coercive power is the extent to which a manager can manipulate or control other people. It is a power based upon fear. Coercive power was a factor of traditional management styles where autocracy prevailed. Today it is recognized that coercive power is used in very extreme circumstances and can result in hostility, resentment and aggression as well as erode the manager's referent power. Coercion and punishment are only effective when applied in a small way and in legitimate circumstances.

Legitimate power

Legitimate power is the power based upon position and is found in authority. Examples might include the request of the finance manager for the information services manager to submit budget papers by the end of the month. Requests using legitimate power are usually made politely, confidently and clearly, with their underlying reasons explained. From a governance perspective a non-legitimate use of power may be a request to delete certain documents from a file.

Expert power

Expert power is based on the possession of knowledge, experience or judgement that other individuals do not have, but respect or need. Most lecturers demonstrate the possession of expert power over their students. However, possession of expertise is not sufficient for managers or lecturers to influence people. It is also necessary for individuals to recognize the manager's or lecturer's expertise and to perceive them to be credible sources of information.

Expert power is demonstrated through the display of certificates or awards on office walls, by acting confidently and decisively in a crisis, by keeping informed and informing others

of emerging technology issues, by presenting papers at conferences, and by maintaining personal credibility.

Referent power

Referent power is developed out of a person's admiration for another and their desire to model their behaviour on that person's attributes. Role models and mentors have referent power as they engender a feeling of personal alignment, affection, loyalty and admiration on behalf of the subject. Referent power is often based upon an individual's personal characteristics. Information services managers are likely to build referent power if they are articulate, show consideration for individual needs and feelings, encourage and develop individuals, and if they exhibit ethical behaviour.

ACQUIRING POWER

Individuals often acquire power within organizations through:

- developing a sense of obligation in others;
- building a reputation as an 'expert' in certain matters;
- fostering others' unconscious identification with them or their ideas; and
- maintaining the belief that others are dependent upon them.

Managers who are ethical in acquiring power are sensitive to what others consider to be legitimate behaviour in acquiring and using power and seek to use it to effect positive outcomes. They recognize that power is an essential management tool. They have a good understanding of the various types of power and its effects on different people. They develop expertise in using different types of power in order that the correct type can be used in the right circumstances to achieve the information service's and the parent organization's objectives. They exercise restraint and self-control to ensure that power is not abused or used impulsively.

Counter power

Power sources can be neutralized by counter power. Individuals may influence others by exercising a restraint on the use of power. An example of counter power is where employees engage the services of an outside body to negotiate on their behalf their working conditions with management, or where a group of individuals may try to neutralize a negative influence within the organization.

AUTHORITY

Authority is institutionalized power. Whilst authority is based upon formal position and legitimacy, its acceptance is governed by the use of factors such as compliance, leadership and expertise. Authority can be gained from position, personal characteristics, expertise and knowledge, and the situation.

Position

This is the part of authority that is conferred upon individuals because they occupy a particular position, such as the Chairperson of the Board of Directors or Chief Executive Officer. The position and title are approximately indicative of the relative standing of the position holder's authority compared to other individuals, even though it may not be a

specific measure of the exact degree of authority. The true extent of the position holder's authority is measured by the scope and range of their activities within the organization.

Personal characteristics

Personal characteristics such as vision exhibited by leaders in getting others to do things are a part of authority. Domination, physical disposition and certain personality traits are also used to gain authority.

Expertise and knowledge

A person's specialist knowledge and expertise can confer a degree of authority over those not having the same level of knowledge or expertise to make a decision or solve a problem. This is known as authority of knowledge or expertise. It can be independent of level or position, for example a person's knowledge or expertise in a particular information system may provide them with a higher degree of authority over its future management than others who have not been exposed to the system.

Situation

Finally, authority can exist in a given context, specific as to time and place and determined by the elements of the situation. As an example, an individual who, upon witnessing a fire in a storage room or taking a bomb threat call may with their first reactions initiate a course of events that may not occur given a normal situation. The situation therefore provokes leadership behaviour and the acceptance of responsibility on behalf of an individual, who, though not in a position of authority, assumes authority in that particular situation by issuing orders.

DELEGATION

Delegation is the organizational process by which authority is distributed throughout the information service so that others may share work and responsibilities and contribute to the governance process. The distribution of authority through the delegation process does not occur automatically; it occurs by deliberate design. Delegation is a three-stage process:

- an individual is given responsibility for a task, such as to write a report or to manage a work unit;
- secondly, they are given the authority to do the job. They may also be given the necessary position power needed to execute the job; and
- finally, they are required to be responsible for their actions and outcomes.

Most organizations have formal structures through which delegation is legitimized. However whilst authority may be delegated to an individual to achieve certain outcomes through formal delegation, the Chief Executive Officer or manager is still in possession of their own authority over the situation. They have neither more nor less authority than they did before they delegated it. The same thing is true of responsibility and accountability that is central to good governance. No matter how much authority or responsibility is delegated, the Chief Executive Officer still retains ultimate accountability for the outcomes and results within the information service.

Individuals who have been given authority must recognize the fact that they will be judged by their manager on the quality of their performance. They are still responsible and

accountable to their manager. By accepting authority, people denote their acceptance of responsibility and accountability.

Benefits of delegation

Delegation improves decision quality and acceptance. It can lessen the load of higher levels of management and enable quicker responses. Since the delegate is often closer to the point of action and has more specific information than the Chief Executive Officer or manager, it allows for a better decision in less time.

Delegation is also a form of job enrichment and an effective method of managerial development and training, providing for internal promotion and career paths within the information service. Individuals' jobs become more meaningful and challenging, leading to increased levels of motivation. In situations where organizational levels are being flattened and career paths restricted, delegation serves as one way in which team members can be extended and given further responsibility.

Whilst most people will welcome delegation there may also be some resistance. Some individuals do not wish for any more authority or responsibility, or do not wish to increase their already demanding workload. Others may lack self-confidence or have a low personal need for achievement. The amount of delegation that will be acceptable will vary according to the manager, the individual and the situation.

Unfortunately, some managers do not delegate. A failure or reluctance to delegate is caused by a number of reasons. Managers may feel insecure or do not know what to do. They may lack confidence in individuals being able to perform the task, although it could be argued that this is evidence that their training and staff development programmes are not effective. Their insecurity may be further aggravated by a feeling that their people have the potential to do a better job than themselves. They may also have a desire to maintain absolute control over the operations of the workplace.

Delegation, like other processes, can be learned. The most basic principle to effective delegation is the willingness by managers to give their people real freedom to accomplish their delegated tasks. Managers have to accept that there are several ways of handling a problem and that their own way is not necessarily the one that others would choose.

Individuals may make errors, but they need to be allowed to develop their own solutions and learn from their mistakes. Improved communication and understanding between managers and their people can also overcome barriers to delegation. Knowing the strengths, weaknesses and preferences of their people enables managers to decide which tasks can more realistically be delegated to whom.

The delegation process can be enhanced if individuals completely understand their responsibilities and role expectations, and are given sufficient authority to carry out their tasks. Their responsibilities and limits of discretion should be well defined. Assistance in the forms of psychological support, advice, technical information, should be provided and feedback given at regular intervals. Individuals should be willing to accept their responsibilities and be encouraged to act on their own and make use of their newly acquired authority.

Influence

Influence is the action that creates a behavioural response to the exercise of power. When power sources are activated they are influential in that they get someone to do something in a required way. Influence is important in that it can assist or distort the governance process.

There are many uses of influence within organizations. One of the most common forms of influence is the legitimate request. When an officer in the records management section is asked to check the location of a file, the officer will normally comply. The officer sees the request is made within a work role setting and is legitimate.

Rational persuasion is used to persuade another party that the proposals or decisions are justified and that they will be successful. It incorporates a logical argument in which a party is convinced of the need to change their mind or that the suggested behaviour is the best outcome for all. Rational persuasion is reliant on the party having some knowledge or perception of the issue as the persuader does not have any tangible controls on the outcomes.

Rational faith is based upon expert power, where a person's credibility or expertise is sufficient to influence the other party to take a particular course of action. An example of rational faith is where an employee uses a particular database that has been recommended by the librarian or research officer to find information. The employee may not be aware of the contents of the database, but will use it on the recommendation of the librarian.

Indoctrination establishes certain values and beliefs in people that lead to behaviours that support the organizational objectives. The induction process is a form of indoctrination.

Information distortion influences a person's impression and attitudes as it limits or censors the information that they receive. The target person is influenced without being aware of it. Information distortion takes place when reports are edited or when information is withheld from those who need it. A similar form of distortion occurs in situational engineering, where a physical or social situation is manipulated.

Conclusion

Power, influence and authority are inextricably linked and central to the effectiveness of transparency in decisions and good governance. Power is the ability to influence others, which is legitimized in authority. Delegation allows the giving of responsibility and authority to others. Like politics, power can have negative and positive connotations. It can be abused as well as used effectively to persuade and influence outcomes.

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Encouraging Transparency

Trust and a good corporate reputation is reliant on having transparency in governance processes, open and participative decision making, and a culture where managers at all levels are approachable and open to suggestions and ideas. Providing clarity on issues and fostering strong communications across the organization and with its stakeholders are other important aspects of transparency within the organization.

Transparency is an excellent example of 'the chicken and egg' conundrum. Transparency in processes, communications and decision making generates trust in the organization, yet trust gives people confidence in being candid and open to discuss and resolve issues that may affect performance and the future sustainability of the organization.

Encouraging transparency also involves ensuring that there is no confusion about why and when actions or decisions are being taken, and that people are clear about the ramifications of the actions or decisions and about the actions or decisions themselves. Openness includes candid and honest discussion leading up to when decisions are taken so that a comprehensive view is formed of the issues being considered, as well as frankness about the decision itself.

Making the Right Decision

Decisions that are made within information services have multiple impacts: some being strategic and concerning transformational change with long-term sustainability implications, others being operational or tactical, affecting and effected by groups or individuals. Certain decisions will be based on simple and well-defined facts whilst others will involve complex and ill-defined situations. Making the right decision and communicating this within the organization and to key stakeholders is an important component of good governance.

PARTICIPATIVE DECISION MAKING

Employees have come to demand and readily expect their employers to engage them in decision-making processes. Likewise enlightened employers acknowledge that higher-quality decisions and greater transparency result from participative decision making. Participative decision making allows people to bring multiple views, aspects and knowledge of the subject area, different abilities, interests and skills, as well as freedom of thought to the decision-making environment. This type of decision making is most successful in open organizations and where individuals possess the knowledge and abilities that enable them to make informed decisions.

Participative decision making is also useful for resolving differences in challenging and changing environments. The sharing of norms and values and the communication processes

involved can positively influence the motivation of employees, minimize conflict, clarify issues of concern and result in less resistance to the planned changes. By involving groups rather than individuals in the decision-making process there is likely to be more acceptance of risk with the feeling that there is safety in numbers. Equally, the people directly concerned should be involved as they are immediately affected and have the most practical knowledge of day-to-day operations.

Where tough decisions are needed, participative decision making should not be used as an excuse for stalling the decision or as a substitution for individual action. Likewise the failure to make a decision and indecision are equally ineffective. In these instances it is important that the most sensible and implemental decision is made.

UNDERSTANDING PERCEPTIONS, INTUITION AND EMOTIONS

Many decisions are influenced by perception, intuition and emotion that can skew truth and objectivity. From a management perspective, the need to deal with perceptions is as real as the need to deal with facts. Perceptions are formed from personal experience, knowledge, discussions and conversation that sometimes can be incorrect or misconstrued. Likewise, an individual's perception or interpretation of an issue can be influenced by past experiences that may not be entirely relevant to the case in point, or they may be correctly influenced by variables that are not widely known to others which could lead to their choice of actions being questioned and affect others' evaluation of the outcome of their decision.

Intuition influences decision making in that it involves abstract thoughts that are not associated with concrete evidence but are based on individual instinct or apprehension. Often the words 'sixth sense' or 'gut feeling' are applied to the phenomenon of adding a further dimension to the five conventional senses that are used by individuals.

Decision making is also an emotional process. What may appear to be a small decision taken at one level may be considered to have significant emotional consequences at another. For example, decisions on eligibility for car parking spaces may be operationally-based but attach considerable emotional importance to those who do not qualify. Feelings of self-worth, biases and experiences also affect the emotional processing of decision making. Emotions are involved in diagnosing and defining the problem, in selecting acceptable solutions and in the implementation of the solution.

DECISION-MAKING STYLES

Whilst today's environment is fast paced and actions or decisions need to be made quickly, there is a need to understand that individual styles differ. Some people seem to act quickly, whilst others always appear more hesitant. Much of this has to do with personal decision-making styles which are linked to individual thought systems, people's perceptions of situations, past experience and emotions. It can also be to do with the human brain.

Right and left brain hemispheres

Different personal attributes and decision styles of individuals can be found in the way in which they use the human brain. The human brain can be divided into two halves. Looking down on the top of the exposed brain, two hemispheres are present, the left and the right. The left brain controls the right-hand side of the body and the right brain the left side.

The right and left hemispheres have different thinking styles. The left brain in most people is particularly involved in thinking activities that use language, logic, analysis, reason and mathematical ability. It is also associated with awareness of detail, recognition and

classification of problems and optimizing results over time. The right hemisphere is more associated with pictorial, image thinking, spatial awareness, creative ability and intuitive thinking. The right, it is argued, is much better at seeing wholes. Problem solving, writing and planning require high-level left side use, whilst the right brain is particularly associated with the ability to make non-logical connections and to see overall patterns or trends. It uses intuition as the basis for decision making.

The knowledge of these two different thinking styles allows individuals to recognize and value the thinking styles involved in the decision-making process.

Appropriateness of different decision-making styles

There are four main decision-making styles: directive, analytical, conceptual and behavioural. Often more than one decision-making style is appropriate, and managers can select the style most appropriate for the situation.

Directive style

According to Rowe (1984:18) managers with a directive style are efficient and logical yet generally have a low tolerance for ambiguity and a low cognitive complexity. They are autocratic, have a high need for power and maintain tight control. They focus upon technical decisions, preferring a systematic structure. Decisions are made rapidly, with little information, usually obtained verbally, and few alternatives are considered. Only short-range, internal factors are usually considered.

Analytical style

Analytical managers have a greater tolerance for ambiguity than do directive managers, but require control over decision making. As their decisions are based on careful analysis, they require more information and consider more alternatives. They are careful but enjoy variety. They are able to adapt to or cope with new situations. Analytical managers are oriented to problem solving and strive for maximum output.

Conceptual style

Conceptual managers are broad in their outlook, achievements oriented and consider many alternatives. They value commitments and integrity and are creative in finding solutions. They focus on long-range issues, are future oriented and are able to negotiate effectively. They will frequently use participative decision-making techniques.

Behavioural style

Behavioural-style managers are concerned for the organization and development of people. They communicate easily, show empathy and tend to be persuasive. Their focus is short or medium range. They use limited data as their emphasis is on decision making through people.

Organizational Communications

Transparency and openness in organizations are dependent on good communications for clarity and comprehensiveness. Communication is the process through which the thoughts, processes, ideals and decisions of management and governance functions are transferred and adopted by others. The extent to which formal and informal channels of communication are used within information services depends upon the complexity and stability of the environment, and the size, nature and corporate culture of the parent organization.

Increasingly, formal and informal communications are conveyed through electronic means. Collaborative information and communications technology (ICT) tools enable individuals and groups to see and hear each other, work on shared documents, and witness changes as they occur. This speeds up not only the process of communication, but also the reaction. Messages are conveyed and received instantaneously so the message that is conveyed needs to be the correct one.

Rapidly changing environments require rapid communication with less time for formalized procedures. In contrast, bureaucratic-type structures create situations where procedures and regulations are followed and communication is much more formal.

FORMAL CHANNELS OF COMMUNICATION

Formal communications are often used by management to inform people of significant corporate issues and to provide answers to routine questions. They convey factual information and explanation without the emotional perspectives often found in informal communication. Intranets and email are often used as vehicles for formal communications. Formal communication can also be oral. Enterprise collaboration tools, meetings, appraisal interviews and formal discussions or conversations are all used to convey important messages. Formal communication should be open and timely in order to engage trust and keep people informed of important events that may affect them.

INFORMAL CHANNELS OF COMMUNICATION

Informal communication occurs as part of people's social relationships. It is not confined to hierarchies, work relationships or work practices. Informal communication supplements formal communication; in the absence of good official communication, informal communication may supplant it. Informal communication channels distribute information that may not have been communicated officially.

The 'grapevine' and groups on social media are widely recognized forms of informal communication. Both are fast, highly selective and discriminating. They provide management with insights into employee attitudes, help spread useful information and act as a safety valve for employee emotions. Both have positive and negative implications. Whilst rumour and/or hostility may psychologically help people by releasing emotions, they can be disturbing to others. They may also spread false rumours. This can be a problem where there is no permanent membership and so cannot be controlled.

STRUCTURED AND UNSTRUCTURED COMMUNICATIONS

Communication within organizations moves along a continuum from unstructured to semi-structured to structured communication. Unstructured communication is difficult to predict in terms of frequency, process and information that is shared. It includes the use of social media, emails, calendaring and scheduling tools, instant messaging and chat groups. Unstructured information does not necessarily conform to defined formats or protocols.

Semi-structured information can be based on structured processes but the content or threads of discussion may still be unpredictable. In the case of online forums or shared work spaces there can be distributed authorship. Committee meetings held in person or through Skype, video, Web or audio conferencing tools are other examples of semi-structured communication environments. Inter-organizational business processes are examples of structured communications where the information and processes are formalized and predictable, usually conforming to defined standards for data interchange.

Social media has changed the face of organizational communications in four areas:

- communication platforms that enable people to converse with others, either by text, image, voice, video or a combination of these;
- sharing software that enable people to share content with others in structured and unstructured ways;
- collaboration tools that encourage people to collaborate with each other on particular problems, directly and indirectly in both central and distributed ways; and
- networking technologies that make it possible for people to make connections with and between both content and other people.

TAPPING INTO COMMUNITY EXPERTISE

Web 3.0 and 4.0 tools have evolved to be the primary tools through which individuals and community groups communicate, share information and undertake transactions in the market space. Customers now have their own freedom to connect with each other to share information about products and services as well as locate these sources. Two examples include:

- Australia's Bureau of Meteorology allowing individuals to post information on local weather events directly onto their websites to add to the richness of local weather information; and
- travel sites such as Trip Advisor using customers to review and rate hotels and restaurants.

One aspect, crowdsourcing, is particularly useful in developing user-driven policy, providing creative ideas for new products and services, evaluating new products and ideas, and enabling customers to update and contribute to product documentation.

Openness and accountability are fundamental prerequisites for crowdsourcing to be successful. There also needs to be a clear purpose and objectives as well as the ability to respond in real time. Dellarcas (2010:33) has also identified reputation as being a factor in attracting the right individuals to contribute, to motivate them to act in the right ways and empower them to know and trust others in the network. In doing so Dellarcas (2010) made three findings about the successful design of social Web platforms:

1. Designers have to be driven first by the business objectives of the website;
2. There should be four main aims:
 - build trust – encouraging good behaviours and discouraging bad ones in the context of the site;
 - promote quality – recognizing and featuring high-quality contributors as an incentive for contributors to try harder;
 - facilitate member matching – helping members decide how much to trust someone's posting; and
 - sustain loyalty – using reputation as a form of lock-in and as a strategic tool to increase user loyalty and decrease attrition;
3. Design choices can profoundly affect a community's culture, easily turning a good space into an ineffective one.

Complementing crowdsourcing is the opportunity to engage the community in discussion about issues affecting them and their community through collaborative tools and approaches

offered through Web 3.0 and 4.0 applications. Community engagement enables organizations to form global or local communities of interest around issues and build up a relationship with their stakeholders that is more accessible and convenient. It can also be the channel of choice for a large proportion of the population. It is a means of making organizations more open, transparent, accountable and responsive, and of enriching social capital and empowering the wider community.

True online engagement involves many-to-many networks rather than being a one-to-many tool. It requires a shift in mindset, culture and practice. Proper online engagement facilitates discussion within and amongst the community on issues affecting it. It is not a mechanism for pushing agendas or undertaking market research surveys online. Rather it is a means that allows the organization to listen to what its stakeholders are saying amongst themselves and then responding to those messages in terms of improving policy or service delivery.

Social media and online community engagement tools are part of the suite of community engagement methods or channels available for organizations to use. Their strengths lie in the fact that they offer opportunities to get more people involved in discussion on issues affecting them and their community at their own convenience and without leaving their homes and offices. However, there will still be those who wish to engage face-to-face. Online engagement tools can be used to complement and promote face-to-face events and continue the discussion afterwards.

Reports

Reports are part of ensuring transparency and the governance process. They formally bring matters to the attention of executive management and stakeholders upon which informed decisions can be made. In order to convey appropriate decision-making information or account for their actions, managers write or commission annual reports, monthly or quarterly reports, reports relating to specific issues, submissions and budget papers.

Regular reports provide continuous feedback to senior management. They often contain statistical information, analyses of trends and reports on activities. Issues of concern can be raised through these reports for further action. Regular reports usually follow a specific format that is established by the parent organization.

Regular reports can be supplemented by reports on specific issues. These can include papers for discussion and/or action, requests for the introduction of additional services or changes in service level, requests for changes in policy or reports relating to future planning. Reports such as these are compiled on a less regular basis and vary in length. They begin with a summary of the reasons for the report and contain details of the background, progress to date, legal or resource implications and recommendations. Specific reports are either commissioned or written by in-house specialists. They use corporate data and data from external sources. They are written for senior management so that appropriate action can be authorized and taken.

Budgets are a form of report in that they identify the requirement for and proposed use of funds. They communicate how funding is to be spent on priority services to senior management, employees and stakeholders.

Meetings

Meetings, whether attended in person, through applications such as Skype, video, Web or audio conferencing tools or online via enterprise collaboration tools, assist the governance process as they bring together a group of people with a common interest to accomplish a

goal. Participants in meetings use communication skills to share knowledge and experiences, to plan and make decisions, to solve problems, to negotiate and evaluate, to consult and to disseminate information.

Meetings are important components in ensuring transparency in decision making. Handled effectively and efficiently, a meeting will result in creative thinking, multiple thought input, enhanced group cohesiveness, commitment to the outcome, cooperation and better decision making. Handled ineffectively or inefficiently a meeting can waste time, stifle creativity and foster aggressiveness, or result in attacks on others. This can lead to a breakdown in communications between the participants, which in turn creates more problems.

PURPOSES OF MEETINGS

Meetings are a useful tool where decisions require judgement rather than calculations or expertise, or when a pooling of ideas improves the chances of a good decision. They can increase collaboration between work units and be used to ensure that everyone has a shared understanding of issues. Meetings are also helpful where it is necessary to get the participants' acceptance of the decision. Meetings should not be called to solve routine problems, neither are they useful as a vehicle for briefing individuals about issues upon which they have little control or that are unrelated to work. Intranets and electronic collaboration tools can be more efficient mechanisms to use in these circumstances. Figure 19.1 explains some of the purposes and types of meetings that can be held in organizations.

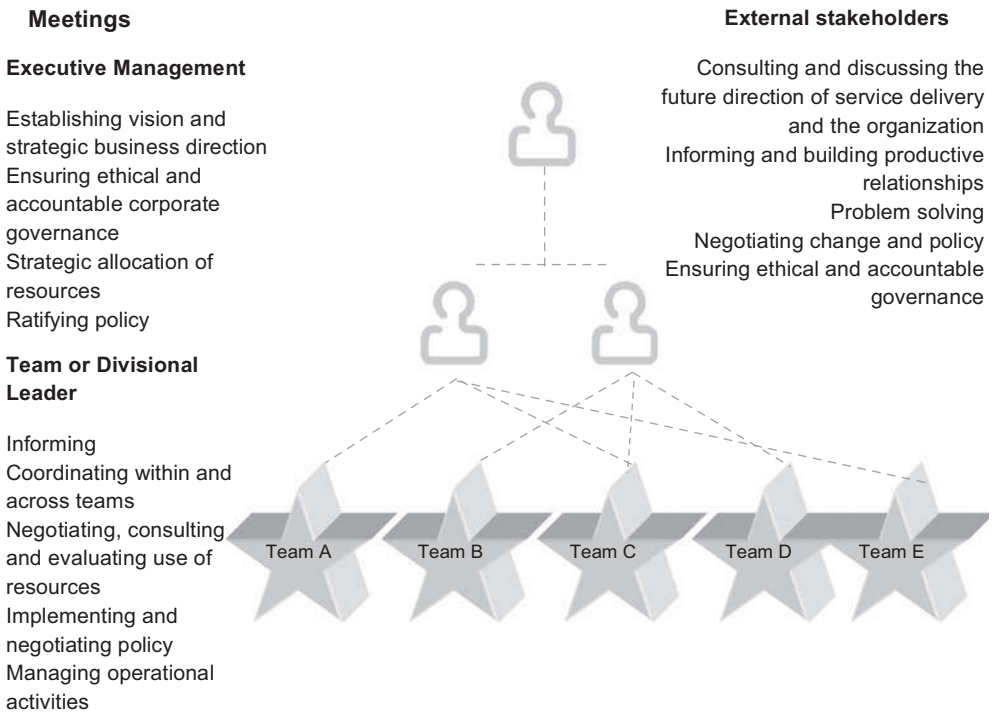


Figure 19.1 Purposes of meetings

FRAMEWORK FOR EFFECTIVE MEETINGS

The agenda should communicate a well-defined purpose for the meeting and a sense of direction for the participants. It should prepare participants for the tasks that they need to accomplish during the meeting and afterwards. The agenda should provide details of date, time and place of the meeting. Time refers to both the starting and ending time as open-ended meetings invite time-wasting procedures. A time may also be set for each item on the agenda. It is also useful to label agenda items according to their desired outcome, for example 'for discussion', 'for endorsement', 'for information'.

The agenda should be circulated to participants in advance to allow time for reading, research and consultation with others. Background material such as reports, statistics and proposals should be distributed with the agenda. To ensure that the meeting is effective and productive, participants should be:

- stakeholders in the decision-making process;
- individuals that can contribute through relevant knowledge or appropriate level of expertise; or
- individuals that can communicate and contribute to the meeting in a positive, creative and open fashion.

The ideal number of participants in a meeting is between four and eight. If too many people attend, or if those who are not directly involved in the agenda issues attend, there is a risk of too much time being spent on explaining the background. Agenda issues may also become side-tracked. Likewise, if the wrong people attend they can stifle creativity and waste their own and others' time.

The role of the chairperson is to keep the pace of the meeting brisk. The chairperson should ensure that participants do not waffle or get side-tracked onto issues not relevant to the agenda. The chairperson should facilitate open communication and dissipate potential personality problems to make it easy for all participants to put their point of view. Individuals should not be allowed to dominate meetings. The chairperson should have knowledge of group dynamics in order to steer the participants in a creative fashion to the desired outcome. A skilled chairperson is able to persuade participants to think again and get proposals accepted where less experienced colleagues may fail.

The chairperson should ensure that all decisions made at the meeting are recorded, together with details as to who is responsible for follow-up actions, what these actions are and when they should take place.

The meeting environment

It is important that meetings are held in non-threatening environments. If people from different organizations or work units are meeting in person, it is often best that this be on neutral territory. Physical features of the room and seating arrangements can affect the outcome of the meeting. A round or oval table is better for problem solving and group discussion. Participants should be comfortably seated in a business-like manner with room to move and the ability to clearly see all members. People likely to be in conflict or confrontation with each other should not be placed opposite each other. There should be no noise distractions or interruptions although, in the case of long meetings, breaks should be scheduled with refreshments of non-alcoholic beverages. The size of the room should give the impression of being comfortably full but not crowded. Large premises are threatening and stifle discussion.

Conclusion

Making the right decision is crucial to engendering trust and accountability as well as for ensuring the long-term sustainability of the organization. Transparency in governance processes is achieved through making the right decision, as well as having a culture that is open and accountable. Participative decision making is favoured as a means of encouraging input to and transparency of decisions. Generally the additional cost of participative decision making in terms of staff time is offset by the benefits that arise from the commitment to the decision and the greater creativity that arises from a wider range of options arising from the participative process.

Communications in organizations can take many forms: formal and informal, structured and unstructured, all of which serve a purpose in encouraging suggestions and ideas, lessening confusion and providing clarity on issues, and enabling discussion and decision making across the organization and with its stakeholders.

Social media and online community engagement tools are part of the suite of community engagement methods or channels available for organizations to use. Their strengths lie in the fact that they offer opportunities to get more people involved in discussion on issues affecting them and their community at their own convenience and without leaving their homes and offices. However, there will still be those who wish to engage face-to-face. Online engagement tools can be used to complement and promote face-to-face events and continue the discussion afterwards.

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Sustainability

In keeping with the need for balance and concerns for the future, and coexisting with corporate governance and social responsibility principles, is the concept of sustainability. The word sustainability is derived from the Latin *sustinere* (tenere, to hold; sus, up) and is 'the capacity to endure'. In other words it is the ability of the information service and its parent organization to:

- tolerate and survive in continuously changing and challenging circumstances;
- ensure the long-term maintenance of well-being, which in turn depends on the well-being of the natural world and the responsible use of natural resources; and, in support of these
- make decisions and manage programmes and projects in a manner that maximizes benefits to the natural environment, humans and their cultures and communities, while maintaining or enhancing financial viability.

In order to achieve the above, sustainability needs to be incorporated into core values, taken into account in ensuring effective governance and decision making within the information service, and considered and incorporated into information service delivery. Protecting the environment isn't the whole story. Organizations must consider their social, economic and cultural impact as well. From a management perspective, sustainability is a holistic process that takes into consideration every dimension of the business environment. It involves incorporating a whole-of-life approach, balancing short-term needs with society's and the organization's long-term interests, as well as ensuring that resources are used no faster than they are renewed. The latter is known as living within the carrying capacity and can be applied to intangible items such as education and skills development or developing trust and respect in people, as well as the tangible environment of water facilities and ecosystems.

Sustainable organizations and communities invest in and take good care of all their capital assets so that benefits accrue for themselves and others, now and in the future. They look at the entire enterprise, process or acquisition from a 'cradle to the grave' perspective in terms of total cost of ownership, or input, throughput and output to determine inefficiencies or waste. Investments in sustainability practices reap other benefits. For example, energy efficient buildings not only consume less energy, they have better thermal, visual and acoustic comforts that yield higher labour productivity, attraction and retention rates. With the cost of labour being much higher than energy costs, the bottom line benefits are derived more from people's increased productivity, well-being and commitment and savings in sourcing, recruiting and inducting scarce talent than just the energy savings.

Sustainability principles include:

- concern for the well-being of future generations;
- awareness of the multi-dimensional impacts of any decision (broadly categorized as economic, environmental, social); and
- the need for balance among the different dimensions across sectors (for example mining, manufacturing, transportation), themes (climate change, community cohesion, natural resource management) and scale (local, regional, national, international).

The Sustainability Now website presents a holistic view of managing in a way that meets the needs of the present without compromising the ability of future generations to meet their own needs. The principles it espouses include:

- systems thinking – acknowledging the fact that seemingly discrete projects and activities are in fact a part of many interacting or interdependent social, ecological, and economic systems that together form one complex global system;
- temporal and spatial scales – assessing the environmental, social and economic impacts of our actions over varying scales of space and time;
- risk, uncertainty and the precautionary principle – identifying and actively managing risk and uncertainty; recognizing the value and limitations of both quantitative risk analyses and subjective risk perception in situations characterized by significant uncertainty;
- values-focused thinking – developing alternative solutions to problems based on human needs and values and evaluating these options on the basis of those values;
- engagement and integration – engaging stakeholders and forming integrated design and consultation teams at the onset of appropriate projects to take advantage of a pooled body of knowledge to help define and solve the issues at hand;
- equity and disparity – ensuring that the equity and disparity of current and future generations have been considered and that a fair and consensus-seeking process is in place to ensure that the benefits and costs are distributed fairly among various stakeholders;
- efficiency – seeking to maximize the contribution to the well-being of humans and ecosystems while minimizing the stress on people and ecosystems, seeking win-win solutions and clarifying irreducible trade-offs; and
- process and practicality – applying sustainability as a dynamic process rather than a static end point. The scope for living sustainably in the context of changing technology and human values is enormous.

Sustainable Business Practices

Sustainable business practices integrate ecological concerns with social, cultural and economic ones. In a practical sense this can be achieved through:

- making workplace adjustments and implementing policies, work practices and processes that reduce energy usage, waste and costs;
- benchmarking service and process efficiencies against zero waste rather than what competitors are achieving;
- managing the organization's reputation as a good community citizen by building social capital;
- respecting and taking care of its employees and families through family-friendly practices;
- valuing and protecting cultural diversity;

- embedding a corporate culture, values and mindset of achieving sustainability in all its forms;
- building a capacity of organizational learning to avoid mistakes and to look for innovation; and
- taking an integrated approach to sustainability, rather than treating each element of sustainability as a discrete item to be managed in isolation.

Reductions in non-renewable resources consumption are also being achieved in the design of the built environment. Green buildings make use of naturally available sunlight, heat, shade and ventilation which have the added advantage of sustaining a healthier work environment. In addition, smart alternatives to transport are also being deployed by wherever possible avoiding unnecessary travel through the use of remote desktop tools to provide user support and video conferencing for meetings.

In the first annual Business of Sustainability Survey (Berns et al. 2009) respondents who considered themselves experts in sustainability said their companies had found a compelling business case for sustainability-related investments. These included:

- a stronger brand and greater pricing power;
- greater operational efficiencies;
- more efficient use of resources;
- supply chain optimization;
- lower costs and taxes;
- enhanced ability to attract, retain and motivate employees;
- greater employee productivity;
- improved customer loyalty, lower rate of churn;
- enhanced ability to enter new markets;
- more potential sources of revenue;
- lower market balance-sheet and operational risks;
- lower cost of capital; and
- greater access to capital, financing and insurance

Sustainable ICT

Environmentally sustainable computing or ICT is also known as ‘green computing or green IT’. It incorporates a holistic approach to the design, manufacture, use and disposal of computers, mobile devices, servers and associated subsystems – such as monitors, printers, storage devices, and networking and communications systems – efficiently and effectively with minimal or no impact on the environment. It seeks equipment that comes from a sustainable source (past), is nontoxic (present) and is reusable or recyclable (future). Green IT also strives to achieve economic viability and improved system performance and use, while abiding by corporate social and ethical responsibilities.

Incorporating smart design, procurement and business models into the management of ICT not only reduces the environmental impact it also reduces energy consumption and offers financial benefits by reducing the total cost of ownership. Examples include:

- sharing ICT services and moving to cloud computing models incorporating pay-for-use principles;
- redesigning data centres to be more energy efficient and relocating them to non-central business areas reducing costs for energy, space and other requirements;

- incorporating green criteria for the design, management and disposal of equipment to procurement contracts;
- extending the replacement programme to a four-to-five-year life cycle for desktop equipment through cascading high-end equipment to lower needs end users, consolidating, reducing and recycling equipment;
- increasing staff awareness of the impact that ICT has on energy and environmental sustainability and the need to switch off and shut down their computers at night, over the weekend and any time where they won't be using them for longer than an hour;
- utilizing energy saving measures, for example power management tools, installing networked rather than small desktop printers, setting printers to default duplexing (double sided) and grey scale;
- digitizing paper images as soon as possible;
- disposing of or recycling toner cartridges, mobile phones, batteries and used paper appropriately;
- optimizing utilization by finding the right inventory levels to have as surplus replacement equipment; and
- introducing green metrics, assessment tools and methodologies.

Most ICT vendors have moved to incorporating aspects of green IT in their design, manufacturing and disposal processes, maximizing energy efficiency and promoting recyclability and biodegradability.

Sustaining Different Forms of Capital

An aspect of sustainability and corporate governance is ensuring that different forms of capital associated with the organization are managed in a responsible and sustainable manner. Capital is a resource that, managed sustainably and effectively, is a source of wealth and value. Managed irresponsibly the viability and reputation of the organization can be brought into question. Traditional management concentrated on managing human and financial resources from an internal perspective of assets and liabilities for the organization. Now it is acknowledged that many different forms of capital exist that need to be managed to add value today and for the future – not just from a governance perspective but with the view that organizations can create worth for themselves and society by better managing these. Increasingly organizational performance is being judged on the way in which it recognizes and takes care of a wide range of capital items, including intellectual, client, social and natural capital.

BUILT CAPITAL

Built capital includes buildings, equipment, vehicles, information and communications technology (ICT) and infrastructure. Managing built assets in a sustainable manner is akin to good asset management of tangible assets, which includes leveraging new technologies in ways that maximize business opportunities, maximizing the return on investment and reducing future resource requirements by prolonging the asset's life or strengthening its disposal value.

CLIENT CAPITAL

Client capital is the value that results from the sustained relationship that an organization has with its clients. Increasingly organizations are recognizing the importance of customer

relationship management in retaining their clients who are in the position of exercising choice in who they deal with. ICT is proving an asset in enabling organizations to add value to the customer and enhance the relationship by providing information on client needs and preferences and then tailoring products and services to meet individual needs any time, any place.

FINANCIAL CAPITAL

Financial capital includes managing the growth, investment and financial value of the organization in a sustainable manner; maximizing its wealth and the value of its assets in the market place, ensuring its capacity and capability to make a profit, and funding its acquisitions and liabilities.

HUMAN CAPITAL

The many aspects of human capital have been captured by McCallum and O'Connell (2009:154) in two dimensions:

- value, represented by contributions made that enhance organizational effectiveness, efficiency and/or competency;
- uniqueness, exhibited in firm-specific, tacit knowledge or expertise.

Having an appreciation for the importance of people's personal talents, skills and abilities is a significant part of managing and sustaining human capital. How these are encouraged and applied will determine the extent to which they add uniqueness, innovation and achievement to the organization. Managing human capital also includes concern for the health and well-being of individuals. This includes their physical and mental health; so employing healthy lifestyle programmes or sponsoring lunchtime keep-fit activities help support the well-being of this important capital source.

INTELLECTUAL CAPITAL

Intellectual capital consists of knowledge, intelligence and ideas in an organization and the unique processes and intellectual assets that an organization holds. Its management and protection is increasingly important in sustaining and preserving the innovative edge that an organization may hold over its competitors. Intellectual capital is reinforced through policies and practices that encourage creativity and innovation. Whilst intellectual capital that resides in people's heads cannot be protected, once it is applied it can be protected through intellectual property rights that include patents, copyright and other forms of legal protection.

NATURAL CAPITAL

In managing natural capital importance is placed on the value of the ecological carrying capacity and sustainability of the natural environment. This includes consideration for the sustainability of natural resources in choosing alternatives for transport and managing water and energy consumption in the workplace. Natural capital consists of:

- those things that are taken out of nature and used, for example water, plants and animals, oils, gas, minerals and wood;
- ecosystems that are the natural processes which communities rely upon such as wetlands that enable water filtration and provide a buffer for flooding, carbon dioxide-oxygen exchanges, and the fertility of soils; and

- aesthetics or the beauty of nature that contribute to the general quality of life, for example providing flowers and plants in the workplace, positioning windows to reveal a pleasing view, or providing an outside courtyard where people can relax during a break.

Preventing pollution and managing wastes in an ecologically sound manner are two other examples of investing in natural capital.

SOCIAL CAPITAL

Social capital is the goodwill available to individuals or groups. It is concerned with social awareness, forging and sustaining commitments, connections and relationships within a community. This might be within an organization, a community of practice or a local community. From a management perspective, this means managing and valuing the interpersonal and institutional relationships and norms that an organization has internally and with the external environment to create long-term sustainable change – for example, an organization's abilities to build relationships, goodwill, cooperation and trust, influence and show leadership that adds value to organizational processes and outcomes, or which shapes the quality and quantity of its interactions with society for improved community productivity and well-being.

Social entrepreneurs, those who create or bring about social capital, can be found in the not-for-profit, public and commercial sectors. Increasingly commercial businesses are concerned with 'more-than-profit' and contribute to world aid programmes in developing countries, local communities, the arts and education.

Social capital also has a self-management perspective. Social capital differs from human capital that is based on individual competencies such as skills and abilities. Social capital is about relational competencies and leads to relational wealth that can be used to build competitive advantage and advance organizational performance. It also includes reciprocity and giving feedback.

Developing a social capital programme might include forming relationships with or sponsoring local community groups, supporting an employee volunteer programme, encouraging corporate family days where members of the family can visit on site, or encouraging membership and corporate connections with communities of practice in relevant research fields. McCallum and O'Connell (2009:164) also point out that social capital also develops as leaders have purposeful conversations and share important stories.

McCallum and O'Connell (2009:157) outline five positive impacts of social capital on the sustainability of organizations:

- trust, which leads to the reduced need for monitoring trading partners;
- improved knowledge creation and sharing due to trust, shared goals and common frames of reference;
- more coherent action that flows from organizational stability and shared understanding;
- organizational membership, which is stabilized through reductions in turnover, severance costs, hiring and training expenses; and
- maximized of collaboration values, increasing the rate of financial return.

Conclusion

Sustainability principles include:

- concern for the well-being of future generations;
- awareness of the multi-dimensional impacts of any decision (broadly categorized as economic, environmental, social); and

- the need for balance among the different dimensions across sectors (for example mining, manufacturing, transportation), themes (climate change, community cohesion, natural resource management) and scale (local, regional, national, international).

Sustainable organizations and communities invest in and take good care of all their capital assets so that benefits accrue to themselves and others, now and in the future. Sustainability investments in built capital can derive additional benefits for client, financial, human, intellectual, natural and social capital. For example:

- Energy-efficient buildings and processes not only consume less energy, they have better thermal, visual and acoustic comforts that yield higher levels of labour productivity, increase the well-being and commitment of staff with the added benefits of savings in sourcing, recruiting and inducting scarce talent.
- Incorporating smart design, procurement and business models into the management of ICT not only reduces the environmental impact and costs of energy consumption, it has additional financial benefits in a reduced total cost of ownership.
- By pushing services online and replacing hard copy forms with online forms and authorization work flow the benefits are found in reduced costs of paper usage and front office staff, savings in trees, reduced waste and emissions in travel, and savings in customer time and money.

Redesigning business practices with sustainability in mind often results in several other advantages. It requires a focus on mapping costs of both materials and energy which in turn identifies waste in the system. As a result of developing a culture of measurement, collaboration, accountability and rewards for minimizing waste and leakages, there are gains in integration and communication, greater employee commitment and productivity, and further savings by turning waste into profit.

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Risk Management

Managing risk comprises the identification and mitigation of risks that might affect an organization or activity such as its people, financial sustainability, property and assets, reputation and information. Risk management is not an excuse for curtailing freedom, for not being prepared to take a chance, or a reason for not being innovative or risk taking. In fact the greatest risk is to do nothing and therefore risk nothing. Innovation, progress and opportunities to create the next advantage all involve some elements of risk.

Risks surround us, they are in abundance and there for the taking. Those who do not take risks achieve nothing. The challenge is to identify potential risks and proceed to manage them in a manner that leads to a successful outcome. Awareness of risks through early warning indicators is as important as managing the risks themselves. It is far better to be aware of all possible and probable risks than to progress in ignorance. There is a difference between taking a risk avoidance approach in which everything is slowed down such that progress and initiatives are stifled, and progressing proposals with eyes open, knowing the potential and possible risks to look for.

Risk management specialists may be employed within the organization to identify and monitor possible and potential risks, instigate control and mitigation practices for these risks, and ensure regular reporting to executive management on these issues. However, accountability and oversight of risk is an executive management responsibility. This is because risk is tightly coupled with corporate governance, trust and reputation, short- and long-term sustainability and strategic management issues. Executive management should be involved in endorsing strategic risk policy making, setting the desired levels of risk tolerance, as well as providing oversight of risk management issues within the corporate environment.

Risks can have both internal and external sources. The complexity of the environment and potential for sudden and serious risks to emerge means that external risks are likely to be more damaging and threaten the reputation and livelihood of the organization than those that are initiated from within, such as through innovation or fraud. The nature of risk is that any member of staff can be in a position to identify the early warning signs of risks, either through observation, through conversations with stakeholders such as suppliers, union representatives or customers, or by coming into contact with other external intelligence sources.

In the world of integrated and global service delivery, risk cannot necessarily be confined to a single organization. Therefore policies and procedures related to risk management strategies must flow across the organizations collaborating in the venture. The best way to manage this environment is to ensure that systems, practices and processes are in place, communicated and understood by all partners such that they make the identification and management of risk an integral part of the planning and management process and general culture of the organizations involved. These risk policies and processes should clearly

describe how risk will be managed across the organization and its collaborative partners and form part of the Risk Management Plan.

Sources of Risk

Major risks that can affect information services include:

- Fraud, theft or misappropriation – this can be financially detrimental to the information service and its parent organization and result in a loss of clients and their trust if their relationships with the organization are affected. If the fraudulent person is a member of the information service's staff, this can have an adverse effect on the morale and levels of trust amongst staff members.
- Security violations and computer crime – these can result in the loss of competitive or personal information or severely affect the operations of the organization's systems through the use of cyber attacks, computer viruses and so on.
- Inappropriate use of computer systems – the sending of inappropriate email or text messages or inappropriate access to pornographic or other unsuitable websites can be extremely upsetting and damaging to recipients, expose the organization to litigation and financial liability, as well as tarnish the reputation of the organization and be a misuse of employer's assets.
- Technology change – this can render practices and processes, products and services obsolete overnight.
- Inefficiency and waste – these lead to high costs, low profitability and low productivity.
- Legal exposure – this includes breaches of contract, statutory breaches or where adverse legal action is financially and organizationally debilitating.
- Loss of public reputation, image or regard for corporate citizenship – the loss of an organization's reputation or image can severely affect stakeholder relationships, as well as the organization's standing in the market including its ability to raise finances.
- Business interruption – circumstances may result in the information service or its parent organization being unable to continue its business activities during times of degraded conditions. Common causes for business interruption include interruption of power supply, electrical surges or spikes that damage equipment, industrial action or denial of service attacks through the Internet.
- Loss of key staff and expertise – this can leave the information service or its parent organization vulnerable in terms of a loss of business knowledge and expertise if there has been poor succession planning. It may also result in an organization's intellectual property being transferred to a competitor.
- Exposure to public liability – this is especially problematic where inappropriate or incorrect advice or information is provided by inexperienced personnel which can have financial, legal, duty-of-care and image implications for the information service or its parent organization.
- Property damage – this may inhibit the operations of the information service and its parent organization if access and movement within the organization's building are restricted.
- Unlawful acts, arson, vandalism or terrorism – as well as the potential for property damage, acts of vandalism or terrorism can have a major impact on the safety and psychological well-being of staff.
- Occupational health and safety issues – an unsafe workplace not only exposes staff to health and safety risks, there is an adverse effect on the morale and productivity of staff.

Apart from the fact that this can expose the organization to the threat of litigation, there is a duty-of-care perspective that needs to be taken seriously. The use of information and communications technology (ICT) equipment such as screens and mobile telephones have been identified as possible sources of radiation that may be a health hazard to users over a long period of time.

- Other workplace issues – these could include enterprise bargaining disputes, claims of sexual harassment, inappropriate skill mixes, cultural or religious conflicts or language difficulties.
- Equipment breakdown or down time – this is especially crucial where there are mission-critical operations that require a 24×7 always on operating environment.
- Poorly maintained or inappropriate equipment or infrastructure – this includes ageing equipment infrastructure that leads to breakdowns or superseded equipment that no longer fits the purpose and needs updating.
- Financial exposures – these include bad debts, exchange rate movements, inadequate costing systems or incorrect budget controls.
- Natural and manmade disasters – these include damage through earthquakes or weather events, fire, exposure to long-term hazards and pollution, or pandemics that affect operational capabilities.
- Political risks – such risks include a change of government or board that brings a new political agenda, loss of a significant corporate champion for the information service, or changing community expectations that require the rethinking of funding or service delivery strategies.

Managing Risk

Risk management involves having a risk management plan that provides a clear approach to the establishment of the context for risks, identification of risk, analysing the probability of it occurring and the magnitude of the potential risk, evaluating and prioritizing risks, introducing appropriate strategies and responsibilities to treat or manage the risks, and monitoring and reviewing risks.

ESTABLISHING THE CONTEXT

Establishing the contextual environment in which risks may occur draws upon much of the information obtained through the strategic planning process, for this identifies the issues in the organization's strategic and operational environment from which risks may arise. Strategic audits, strengths, weaknesses, opportunities and threats (SWOT) analysis, desired future business direction, stakeholder interests, capability profiles, present levels of resources and organizational capability and scenario planning activities can all feed into this activity. It is against this present and future context that risk tolerances and limits are set and possible and probable risks are evaluated. For example, a highly innovative entity where being first to market is of critical importance in a fast-moving environment will have a higher tolerance for risk, and evaluate risks accordingly, than a more conservative organization, such as an accounting firm, where corporate reputation and knowledge of the most recent company and taxation regulations and legislation is used as a differentiating factor. Determining the criteria against which risk is to be evaluated is part of the process of establishing the contextual environment in which risk management takes place.

IDENTIFYING RISKS

The second stage in the risk management process is to identify the risks that need to be managed. This requires consideration of all aspects of both the internal and external environments, including the strategic influences identified in Chapter 2. As previously noted, unidentified risks pose a major threat to an organization, so it is important to ensure that all sources of risk are identified in the first instance. This is an instance where more is better, leaving the formal risk evaluation and prioritization process to determine which risks are given more attention.

In addition to drawing on the strategic planning process as a source for identifying risks, risks can be identified through audits, brainstorming, personal experience, focus group discussion and surveys. Communication is extremely important in order to identify risks and to explain risk management strategies to those affected. Different stakeholders will have different perceptions of the likelihood and severity of the risk, so communication with all stakeholders will provide a richer picture of the potential and probable risks than taking a narrower approach.

Once risks have been identified, it is necessary to identify when, why, where, how are the risks likely to occur and who might be involved. The sources, consequences and potential costs of each risk should be calculated. These can be tabulated in a spreadsheet, but if a more serious or comprehensive approach is required, then a commercial risk management product should be used to guide the risk management processes. Accountability mechanisms and control processes should also be incorporated against each risk.

ANALYSING RISKS

Once risks have been identified, the next stage is to analyse the risks according to the likelihood of the event and the magnitude of the associated consequences. Together these provide an indication of the level of risk. Standard descriptors can be used to assess the likelihood of risk (see Table 21.1)

The consequences of risk can be determined by evaluating the potential effect, fallout or outcome of the risk on the organization and its operations. Generally these are considered to be catastrophic, major, moderate, minor or insignificant as per Table 21.2.

The level of risk is determined by plotting the likelihood of the risk against the consequence, as in Table 21.3.

EVALUATING AND PRIORITIZING RISKS

Risks are evaluated according to whether they are extreme, high, moderate or low, following which they are prioritized. Using the identified sources of risks for information services above,

Table 21.1 Likelihood of events

Likelihood	Event occurrence	Event timing
Almost certain	The event will occur in most circumstances.	Will occur once a year or more frequently.
Likely	The event will probably occur at least once.	Will occur once every three years.
Possible	The event might occur at some time.	Will occur once every 10 years.
Unlikely	The event is not expected to occur.	Will occur once every 30 years.
Rare	The event may only occur in exceptional circumstances.	Will occur once every one 100 to 300 years.

Table 21.2 Consequences of events

Consequence	Effect, fallout, outcome
Catastrophic	An extreme incident that would affect the organization's survival or would result in extensive long-term adverse impacts on the organization, the community and/or its environment
Major	A significant incident that would compromise the operations of the organization and have a long-term detrimental effect on the organization, the community and/or its environment
Moderate	A significant incident that would have serious impact on the operations of the organization and require remedial action within the organization, the community and/or its environment
Minor	A localized incident that would have short-term disruption or detrimental impact on the organization, the community and/or its environment
Insignificant	A minor incident with no lasting detrimental effect or impact on the organization, the community and/or its environment

Table 21.3 Level of risk

Risk	Consequence				
<i>Likelihood</i>	<i>Insignificant</i>	<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Catastrophic</i>
<i>Almost certain</i>	High	High	Extreme	Extreme	Extreme
<i>Likely</i>	Moderate	High	High	Extreme	Extreme
<i>Possible</i>	Low	Moderate	High	Extreme	Extreme
<i>Unlikely</i>	Low	Low	Moderate	High	Extreme
<i>Rare</i>	Low	Low	Moderate	High	High

Table 21.4 provides an example of how risks can be evaluated and prioritized. In evaluating risks the degree of control over the risk, the cost impact, benefits and opportunities should be considered, against the already established criteria.

TREATING AND MANAGING RISKS

After deciding on priorities, responsibility for the treatment and management of the risk needs to be assigned and the risks treated within the context of the strategic direction and operations of the organization. Risk treatment strategies can include:

- avoiding the risk by not proceeding with the activity or choosing alternative paths that have less or more acceptable risks attached;
- reducing the likelihood of the risk through risk mitigation strategies;
- transferring the risk, in full or in part, to another party, such as underwriting or taking out insurance on the risk and eventuality of an outcome; or
- choosing to retain the risk.

Table 21.4 Evaluation and prioritization of risks in information services

Risk source	Likelihood of risk	Consequence of risk	Risk level	Priority
Security violations and computer crime	Likely	Major	Extreme	1
Fraud, theft or misappropriations	Possible	Major	Extreme	2
Technology change	Likely	Major	Extreme	2
Inappropriate use of computer systems	Possible	Major	Extreme	2
Poorly maintained or inappropriate equipment or infrastructure	Possible	Major	Extreme	2
Legal exposures	Possible	Major	Extreme	2
Loss of key staff and expertise	Likely	Moderate	High	3
Natural and manmade disasters	Possible	Major	Extreme	3
Business interruption	Likely	Minor	High	3
Loss of public reputation, image or regard for corporate citizenship	Unlikely	Major	High	4
Equipment breakdown or downtime	Likely	Minor	High	4
Property damage	Rare	Major	High	5
Unlawful acts, arson, vandalism or terrorism	Rare	Major	High	5
Occupational health and safety issues	Possible	Minor	Moderate	5
Exposure to public liability	Unlikely	Major	High	5
Inefficiency and waste	Likely	Insignificant	Moderate	6
Financial exposures	Unlikely	Minor	Low	6
Other workplace issues	Possible	Minor	Moderate	6
Political risks	Possible	Minor	Moderate	6

MONITORING AND REVIEWING RISKS

Few risks remain static so it is important that risks and the effectiveness of their treatment are monitored and reviewed on a continuous basis. Changing circumstances can affect the likelihood and consequences of the risk. For example, the likelihood of risk of a pandemic or terrorist attack causing significant disruption is significantly higher today than several years ago. In addition, the effectiveness, suitability and costs of risk treatment measures can vary and need to be continually assessed.

Conclusion

Taking risks is an ordinary everyday occurrence and is a necessary feature of progressing new ideas, creativity and innovation. Risk management is a process for identifying risks and making informed decisions about courses of action that balance the risks with the outcomes. It comprises:

- establishing the context of the types of risks in the environment;
- identifying risks;
- analysing risks;
- evaluating and prioritizing risks;
- treating and managing risks; and
- monitoring and reviewing risks.

Tolerance for risk will differ across organizations depending upon their business objectives and the environment in which they operate.

Further Reading

Honey, G. 2009. *A Short Guide to Reputation Risk*. Burlington, VT: Gower.

Robertson, G. 2014. *Disaster Planning for Libraries: Process and Guidelines*. Burlington, MA: Elsevier Science.

Wilding, E. 2005. *Information Risk and Security: How to Protect Your Corporate Assets*. Aldershot: Ashgate.

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Sustaining Trust and Continued Operations

Clients expect organizations to deliver services on a 24 × 7 basis. In order to meet these demands services have to be:

- unceasing with few interruptions or downtime;
- trusted to both perform transactions and protect clients' personal information;
- secure yet responsive to client needs; and
- reliable, showing integrity and proof.

Trusted and continuous services are reliant on well-established due diligence, sustainability, risk identification and management practices being in place. This includes having:

- trusted partnerships or alliances with other service providers to deliver round-the-clock services;
- good information security management strategies and embedded security systems and procedures to protect information and transactions, people and physical assets;
- access control and authorization of use;
- a disaster recovery plan that provides sound strategies to quickly recover from incidents;
- a tried and tested business continuity plan that provides alternatives for all resources and activities so that critical business functions can continue; and
- compliance with legal and regulatory frameworks for the protection of intellectual property, and personal and commercial information.

Trusted Partnerships and Alliances

Technology now enables information services to deliver real-time 24×7 e-services through partnering with similar service providers in geographically dispersed continents and time zones. In forming an alliance with two other service providers that are in time zones that differ by 8 and 16 hours, a 24-hour service can be achieved. Each of the three partners work together as a joint venture: when one service is closed, their and the other two partners' client needs are satisfied online by one of the other partners that have come on stream during their normal business hours.

The choice of partnership requires considerable due diligence to ensure that their culture, service quality and performance reflects that of the information service. The

partnership relationship should be structured in a way to engender goodwill, understanding and good communication. Issues to be considered include:

- knowledge, key competencies and skills of staff within the information service
- a correct corporate cultural fit
- collection, expertise and service delivery strengths
- organizational credibility and capability
- strategic business direction
- technology compatibility
- specific service delivery outcomes
- performance management
- billing and sharing mechanisms
- security, confidentiality and privacy protection
- indemnities and liabilities, waivers and governing law
- risk mitigation strategies and escalation procedures.

Information Security Management

Information security has become an integral part of life. It is a business management and governance matter rather than a technical issue, as proper security ultimately results in engendering trust in the organization and minimizing damage to the sustainability of business operations and corporate reputation. As such, security issues should be embedded into the corporate risk management processes. Information security must be a state of mind adopted by employees and contractors of the organization, infused into the corporate culture and made a natural way of life.

Organizations today must deal with a multitude of security and related risks. Terrorist and cyber attacks, fires, floods and other disasters (either human-induced or the result of error, or otherwise naturally occurring) can destroy critical information and its associated infrastructure. Apart from the loss of vital and essential corporate information, attacks and adversities of this nature can result in other damage such as unwanted publicity, brand-value loss and the perception that the organization cannot be trusted.

The physical security, health and safety of staff are increasingly becoming a priority. The other side to this equation is, as the Butler Group highlights:

with more emphasis being placed on the protection of corporate data and customer information, internal threats posed by employees and business partners must come into the spotlight. Today, information users, and the facilities that organizations make available to them, provide the single largest and least-protected opportunity for data theft and accidental data loss. Poorly managed access controls to corporate systems, lack of regulation over Web usage that allows malicious malware to prosper, and pitifully weak influences over the movement of corporate data between end-user devices, all contribute to operational environments where information assets are being put at risk.

(Butler Group 2009:3–4)

Responsibility for security can be found at all levels. The Chief Executive is ultimately accountable for the confidentiality, integrity and availability of the organization's information resource and systems and for the physical safety of their staff. Executive management has a responsibility for establishing a security-conscious corporate culture that makes effective security a way of life, for ensuring that there are appropriate standards, policies and procedures on security that

reflect the level of risk within the organization, that there is appropriate funding and priority given to security, disaster recovery and business continuity strategies, that staff are aware of and understand the policies and procedures, and that adequate security procedures and practices are in place to manage the risk. Individuals are responsible for ensuring that they follow the correct procedures and practices and maintain a vigilant eye for possible intended or accidental breaches. The information services staff and team leaders are responsible for engendering a security conscious culture and workplace as well as systematic testing of strategies to ensure that all of the correct procedures and practices are in place and followed.

OBJECTIVES OF INFORMATION SECURITY MANAGEMENT

The original objectives of information security management were to ensure confidentiality, integrity and availability of information and resources. The virtual world has since added two other complementary security elements to the original three as a means of ensuring trust and integrity in online services and transactions. These are:

- authentication – providing assurance that the entities involved in a transaction are who they claim to be; and
- non-repudiation – meaning that all parties to a transaction can prove that the other took part in the transaction. This can be achieved through technologies such as digital signatures and public key infrastructure.

Ensuring the confidentiality of information includes protecting personal, commercial and competitive information from unauthorized access and use, and ensuring that information is accessible only to those authorized to have use of it for approved purposes. Citizens and businesses need to feel confident that the environments within which their personal and commercial-in-confidence information is stored and electronic interactions occur are secure and do not compromise their information. Organizations also need to be confident that information they transmit and store is protected from any unauthorized access, either internal or external.

Maintaining the integrity of information relies upon the ability to maintain the information and transactions in their intended state through all electronic transfer, storage and retrieval processes and to protect them from any unauthorized manipulation or processing. This includes properly controlling access to sensitive data, safeguarding the accuracy and completeness of information and processing methods, as well as addressing brand-reputation implications of holding and using incorrect business and personal information. Integrity is upheld when the unauthorized creation, alteration or destruction of information, done maliciously or accidentally, is prevented.

The continued availability of information ensures that authorized users have reliable and timely access to information and associated assets when required. This requires mechanisms to ensure that the information is resilient, backed up and that steps are in place to restore and maintain access levels quickly in times of degraded activity. Availability of information also necessitates that ICT systems and networks are designed to provide adequate capacity in order to perform in a predictable manner with an acceptable level of performance. They should be able to recover from disruptions in a secure and quick manner so productivity is not negatively affected. Single points of failure should be avoided, backup measures taken, redundancy mechanisms should be in place when necessary, and the negative effects from environmental components should be prevented. Necessary protection mechanisms must be in place to protect against internal and external threats that could affect the availability and productivity of the network, systems and information. The testing of data recovery

should be performed on a periodic basis to confirm that the backup process is effective and that correct and usable information is available.

Authentication is the process of validating the personal identity assertions provided by an individual wanting to access a system or undertake a transaction. Authentication generally involves a one-to-one comparison of an identity assertion against an identity record. A match verifies the user is authorized and they are subsequently allowed access to the system or transaction with a predetermined, fit-for-purpose level of authority. Authentication usually relies on one or more of the following:

- something that is known to an individual (for example pin, password)
- something that an individual has (for example driver's licence)
- something that is part of an individual (for example face, fingerprint).

Repudiation occurs when a party to a transaction denies having carried out that transaction. An example is where the sender of a message denies sending it, or the receiver of a message denies receiving it. The concept of non-repudiation simply means that sufficiently reliable evidence exists so that a party cannot subsequently deny their participation in the exchange. Non-repudiation is an important part of providing a trusted and secure system with which users will be confident to engage for a broad range of transaction activities. Any dispute arbitration over an alleged transaction is considerably simplified when robust non-repudiation protections are in place.

SECURITY STRATEGY

Security should be planned and managed through a sustainable security strategy that is aligned to agreed critical business objectives, functions and processes, infrastructure and resources, and risks and scenarios. This should be supported by a series of general and application controls that either:

- prevent threats; or
- detect and control the effects of damage if it takes place.

The security strategy should encompass human, natural environment and political components, as well as the built environment, hardware and software failures, as the strength of the security chain is determined by its weakest link.

Risk and vulnerability analysis

An important task in developing a security strategy is to assess the level of risk and potential threats to the organization and its vulnerability to these risks. The level of risk can be calculated according to the amount of damage or loss that could result due to a security exposure, multiplied by the probability (or frequency) that this may occur.

The level of risk is influenced by the type of organization, the external environment, its business and its objectives. An organization that operates in a highly competitive environment, depends upon large-scale information processing and access for its business, or manages a large proportion of personal or commercially sensitive information will have a higher security risk than an organization in a more stable and less sensitive environment. For example, the need for confidentiality, integrity and availability of systems in the banking or airline industry is much higher than in a public library system. In security, a compromise should not be entertained. Best practice should be implemented commensurate with the level of risk.

Threats to security can be found in human error or deliberate human intervention, natural and political disasters, hardware and software failures. Examples of human error include incorrect keying of input data, errors in program development or maintenance, or operator error.

Security can be deliberately violated through:

- unauthorized access – access to critical information or systems with or without causing damage;
- damaging information – by damaging, contaminating, destroying, erasing, manipulating or rendering information meaningless; and
- fraud – manipulating data to obtain a financial or other advantage.

Natural and political disasters include earthquake, flood, fire, industrial sabotage, terrorism and war. These have the potential to threaten, either partially or totally, access to information and the functioning of the supporting technology. They can also severely degrade the functionality of the organization. Hardware and software failures include power failure, failure of equipment, network failure or systems malfunction. These can lead to loss of information and functionality for the organization.

The most prevalent security vulnerabilities or points of failure can be avoided by adhering to international security standards and having good information and communications technology (ICT) security, people and asset management practices in place. Most common vulnerabilities arise from virus, worm or Trojan infection, insider theft of proprietary or commercial-in-confidence information, private information abuse or fraud, degraded performance through external attack, and smart phone, tablet and laptop theft. Statistics also show that organized crime is much less likely than internal management and employees posing a threat of theft, fraud and abuse.

Choosing the right security level

The first task in undertaking a security strategy is gaining executive management's understanding, support and commitment to the strategy and its degree of specification and adherence to international standards. International standards advocate the world's best practices that are very appropriate for some organizations, but can be too onerous for others.

The choice of security level is a business and risk management issue. Physical, people and information security issues are some of the biggest risks to organizations today and should not be underestimated. The security level should be chosen such that it is sustainable, that is able to be properly resourced, implemented and maintained. In addition, the requirement for an appropriate level of control ought to be balanced against the need to make information easily available for decision making. The level of detail and implementation chosen should be commensurate with the business objectives, functions and processes, criticality of infrastructure and resources, and risks and scenarios.

It is not cost effective to introduce a higher level of security than is necessary. In fact this could lead to a loss in productivity for the organization as security strategies can:

- be time consuming and expensive to implement;
- be expensive in terms of the capital costs for the security devices, additional costs for encryption facilities in messaging and telecommunications, and labour costs in maintaining security; and
- have considerable impact on the day-to-day operations of the organization.

The level of security should also be chosen to be feasible and practical. It ought not to inhibit work or information flows to the extent that it is detrimental to the organization's activities. It must also match the organization's level of expertise and resources. There is little value in the information manager or security specialist choosing information security levels and implementing increasingly onerous network controls if those managing people and undertaking business processes either cannot work within, or be responsible and accountable for ensuring the ensuing information security levels.

The everyday use of Web-based access, Wi-Fi and mobile communications provides universal information accessibility. It has enabled cost reductions, increased business efficiency and 24×365 service delivery. However, this has the potential to expose organizations and individuals to a range of external threats to security and corporate information, and brand value.

The extended communications environment brought about by global collaborative ventures in e-service delivery and remote and mobile workers is also adding complexity in security. Customers and employees rightly have expectations of data and transactional integrity and confidentiality in their use of mobile and transactional services. They also expect and demand quick and convenient remote access to business systems, which results in business applications and corporate data now residing on laptops, tablets and other mobile devices. At the same time laptops, tablets and smart phones are desirable items and instances of theft/loss of mobile devices are on the rise.

As with the introduction of any new technology or initiative a balance has to be brought that optimizes the value and opportunities presented by these applications whilst implementing smart strategies and policies that minimize the risk of exposure and threats to the organization. This does not mean more protection technology, rather working more effectively with existing ICT security assets. The starting point is understanding the protection needs of the business – its systems, data, user and usage protection – in addition to its risk profile based on the above, and its end-to-end protection needs in a global 24×365 collaborative business environment.

SECURE MANAGEMENT OF RESOURCES

Security is achieved through the appropriate management of people, information, physical environment (including buildings), specific library collections and the technology (including networks and systems). The following provides some of the mechanisms used in security management.

People management

People are often a source of security violations. The security risks are found in human error; asset misappropriation and theft, fraud, loss of key staff with in-depth knowledge of competitive information, or the misuse of information and facilities. Apart from deliberate actions, an unfortunate aspect of security violations is that a considerable number are unintended. Security violations can occur through ignorance and negligence of following proper procedures or by deliberate action such as:

- unauthorized access – access to critical information or systems with or without causing damage;
- damaging information – by damaging, contaminating, destroying, erasing, manipulating or rendering information meaningless; and
- fraud – manipulating data to obtain a financial or other advantage.

Security should be addressed in the recruitment stage and monitored through the individual's life with the organization. Everyone must be made aware of information security threats, the importance of maintaining proper security and backup controls, and be equipped to support the organization's security practices and procedures during their work.

If the parent organization continually deals with sensitive information or operates in a highly competitive environment, all new personnel must be screened before being appointed. All employees and third parties utilizing the organization's information and supporting technical infrastructure ought to sign a confidentiality (non-disclosure) agreement with the organization that extends beyond their employment period. Employees and third parties should be advised in writing of their rights and restrictions of levels of access, the security requirements of the organization, and the appropriate disciplinary action if these security requirements are breached.

Authentication, identity and access management policies and processes should also be in place to determine those who should legitimately be given access and what access rights they should have. Authentication practices enable the users to be positively identified using two or three factor authentication processes that might include a combination of user ID in smart card, biometric or token form, password or other factor known only to the user, and a user ID. Identity management and single sign-on systems provide a centralized view of users and their access across multiple subsystems.

The main fraud mitigation techniques include having codes of conduct and fraud policies in place and ensuring that all staff are familiar with these, maintaining a fraud awareness and incident management programme and having a fraud response plan. All security breaches should be investigated and counter measures taken to ensure that similar breaches do not reoccur.

With all instances of risk through human intervention, a corporate culture that encourages teamwork and collaboration and values ethics and integrity, so that temptation is minimized, is a valuable strategy in avoiding opportunities for security breaches.

Information security

Information has varying levels of sensitivity and criticality and is protected through classification schemes for the data and information itself, as well as an identity and access management regime that ensures that 'those who can have access do, and that those who should not have access do not'. Some information may require an additional level of security protection or special handling such as intrusion and change protection devices, examples being some types of personal information or commercially sensitive information. Information classification systems can be used to define an appropriate set of security protection levels and to communicate the need for special handling requirements to users. Information that is classified as high security will require specialized storage and restricted access and circulation provisions.

Information security policies and procedures should relate to information in electronic and hard copy form. Documents, paper records or microfiche are at risk of security breaches as much as information stored in electronic form.

Specific collections

Libraries, museums, art galleries and archives face particular risks in terms of physical security and wilful or accidental damage to their collections. This risk increases where there is open

access to the collection. Damage can occur at both the collection level and the item level through:

- theft of an item of stock (such as a journal or DVD);
- wilful damage to an item or part of an item of stock (such as the cutting out of a journal article or picture in a book);
- accidental damage (such as warping of a CD left out in a hot car, or a pet or small child chewing a book); or
- fire, storm or other damage.

Many libraries have installed security devices that either scan clients as they exit the premises, or provide videotape footage of movements within the building in order to minimize this type of damage. Libraries that house valuable and unique collections such as national libraries must weigh accessibility and ease of access against the security of the collections. Archives and other institutions that house critical collections in paper or electronic form may require special climatic or security surroundings that physically control humidity or extract oxygen from the air in the event of fire.

Physical environment

Critical or sensitive business activities should be housed in secure areas. They can be protected from unauthorized access, damage and interference by a defined security perimeter with appropriate entry and exit controls and security barriers.

Information and communications technology should be physically protected from security threats and environmental hazards. The physical environment that houses the supporting ICT such as file servers, mainframes and network controllers should have hazard detection and suppression controls that minimize risk from damage through explosion, fire, water or other natural disasters. Support facilities such as power supply and cabling infrastructure must also be well protected. A battery-based or independent uninterrupted power supply ought to be installed to provide continuous operations in the case of a total or partial power failure. Equipment (including work stations) should also be protected against power spikes and lightning. Advanced planning should take into account future requirements so as to ensure the availability of adequate capacity and resources.

Physical access to storage locations may be restricted to minimize the risk of disgruntled employees or competitors destroying original and backup copies of information and software programs. A clear-desk policy can be in place to reduce the risk of unauthorized access to information sabotage or damage.

All staff should be aware of the procedures to be undertaken in the case of earthquake, fire, bomb threat or terrorist attack in the form of chemical or biological agent or hostage situation. The need for evacuation will differ according to circumstance. In the case of earthquake or bomb threat the safest place may be inside the building, away from windows and protected by a strong structure. Wardens should be appointed and evacuation procedures in the event of fire clearly displayed. In the case of bomb threat all staff should be issued with a list of questions to ask the caller in order to locate the bomb and assess the situation. Where appropriate, mail should be screened before opening and procedures put in place to deal with any suspected contamination.

Information and communications technology

As well as 24-hour physical protection and fault detection, ICT should also be protected against loss, damage and interruption to business activities, cyber attack or communications

tapping. These should be continually reviewed in line with changing security, environmental and operational risks. Firewalls and other network perimeter security devices and procedures should also protect against viruses, spam, intrusion devices and denial of service attacks. External devices should be scanned before being introduced or exported from organizational equipment. Virus and other intrusion detection software ought to be installed on all personal computers, updated at least daily and used as a matter of course. Only authorized software should be used, and the downloading of information or software programs from remote sources should be controlled to minimize the risk of spyware and other adverse types of software being unknowingly installed.

Good asset management should be in place with regular audits performed. Tangible assets should be assigned an asset or inventory number and labelled with the number. The asset register or inventory should maintain a record of all assets, the asset or inventory number and the name of the person to whom they are allocated. This should include all hardware, software and mobile devices, and random checks should be made to ensure that all loaded software is legitimate and where necessary licensed.

GOOD HOUSEKEEPING PRACTICES

In addition to the specific security requirements mentioned above, good housekeeping practices and routines maintain the integrity, availability and confidentiality of information. These include (but are not restricted to):

- maintaining and periodically revising security plans so that they remain relevant to the level of risk, are complete, and reflect the current business environment;
- a regularly maintained backup copy of critical information and software stored off site;
- a register of security incidents to enable the organization to review regularly all security incidents and identify commonalities to improve the approach to security;
- controlled access to networks and systems by third parties;
- instilling norms of ethical behaviour amongst employees;
- accountability procedures for all assets;
- protection from the introduction of software containing viruses and other programs that can make unauthorized or unknown modifications to either the software or information; and
- the continuous monitoring of equipment performance.

Access Control

Access to information and its supporting technologies should be controlled to prevent unauthorized use or access.

AUTHORIZING USE OF ORGANIZATIONAL-WIDE NETWORKS AND SYSTEMS

There should be formal policies and procedures that control and document the allocation of access, from the initial register and management of new users, to the management of user privileges and passwords, and the deregistration of users who no longer need access to services. The allocation of privileged access that allows users to override systems controls should be on a very restricted basis. Teleworkers and other remote users will require special considerations for logging, access and control.

NETWORK AND COMPUTER ACCESS CONTROL

To prevent unauthorized network or computer access, technology facilities that service multiple clients must be capable of:

- identifying and verifying the identity, terminal and location of each user;
- recording successful and unsuccessful accesses;
- providing a password management system to allocate, check, maintain and prompt the user to change quality passwords;
- restricting the access times and connection times of users where appropriate, or when not in use through time-out controls and automatic log offs;
- providing enhanced user authentication facilities such as dial-back, smart card tokens or key-based encryption; and
- automatically disabling or disconnecting users when a small number of consecutive incorrect passwords are entered.

Access to network addresses, controls and configuration files must be managed in a secure and controlled manner.

APPLICATION ACCESS CONTROL

Logical access can be used to control access to applications and information residing on computers. These should be protected from any utility software that may be capable of overriding the application, and should not compromise the security of other systems.

Access to systems administration menus and critical system files must be restricted so that only authorized personnel are able to access these to maintain authority and user-level controls. There should be a period review of users' access permissions to ensure that access permissions continue to be valid. Audit trails should be designed to track access and changes to applications and the information in order to confirm that any changes are valid and authorized.

PHYSICAL ACCESS

Access to rooms housing equipment should be strictly controlled. The employees and visitors must be appropriately identified. Proximity devices, badges or other means of identification should be worn at all times, registers (either electronic or manual) need to be kept for when people enter and leave, and closed circuit monitors should be actively monitored by security personnel.

INFORMATION ACCESS AND PRIVACY CONSIDERATIONS

The protection of an individual's personal information is a democratic right. Privacy and data protection can be safeguarded through legislation. Where this is absent, the organization can develop its own code of conduct that:

- guards against the indiscriminate collection and use of personal information;
- ensures confidentiality in its information practices;
- provides individuals with the right to view their personal records, to challenge and have corrected (or noted) any incorrect personal information about themselves; and

- holds executive management accountable for the security and use of personal information.

Disaster Recovery

In the event of a major outage (failure or disaster), disaster recovery and business continuity plans protect critical business processes from their adverse effects. The emphasis for the information services is on protecting and ensuring the continuity of access to information and its supporting technologies. However, other business aspects such as alternative sites for the total business operations must be considered.

Disaster recovery should take a business perspective. It should:

- highlight preventative actions that may be taken;
- seek to minimize the impact of the disaster on the information service, the parent organization and its clients; and
- improve the organization's ability to recover efficiently and effectively.

IMPACT ANALYSIS

Before designing the disaster recovery plan an impact analysis should be undertaken. This describes the types of events that may cause an outage and analyses their impact on the business. The impact analysis links the development of the disaster recovery plan to the business needs of the organization. It also identifies the priorities within the business operations, so that critical processes can be restored first. The business impacts include:

- loss of business opportunities;
- likelihood of penalty clauses in contracts that may be affected by the outage, such as penalty fees for delaying the completion of a project or late payment;
- loss of important material; and
- impact on staff, customers, stakeholders and executive management.

THE DISASTER RECOVERY PLAN

The disaster recovery plan helps the organization to restore and recover its business, either on or off site, following an outage or other security incident. It is part of the business continuity management process. It specifies how an organization will maintain its information services necessary for its business operations in the face of an outage or disaster. The disaster recovery plan has four components:

- emergency plan – this specifies the type of emergency and the actions to be taken that fit the emergency situation;
- backup plan – this specifies the facilities required (including data restoration, disks, computing equipment, telecommunications and networks, work stations) as a recovery site and to maintain operations;
- recovery plan – this specifies how the processing will be restored, including the responsibilities of individuals and a priority list for the retrieval of important material; and
- test plan – this specifies the frequency and manner in which the components of the disaster recovery plan will be tested.

Disaster recovery site

Arrangements need to be made for alternatives for a recovery site. The alternatives for a recovery site can be:

- backup facilities that are owned by the parent organization – if the organization operates out of a number of geographic locations, a site (or a number of sites) can act as the backup facility for others;
- right of access to facilities offered by organizations that specialize in providing disaster recovery sites – the organization may undertake a contract with a specialist organization for the use of a mobile, hot or cold site as a contingency measure. A hot site is a facility that operates equipment compatible with the organization. A cold site is a building that is designed so that it is able to accept equipment at short notice; or
- facilities at another establishment – a reciprocal agreement may be undertaken with an organization that operates compatible equipment for each to act as recovery sites.

Managing the recovery

The recovery plan should be regularly updated, known and understood. Executive management must know how it will be managed and in what order so that business processes can be restored as quickly as possible. The recovery plan should be maintained in paper as well as electronic form, and copies stored off site, such as in bank vaults, the recovery site and the homes of executive management and key staff members. As the recovery plan will include sensitive and competitive information, it should be secured off site.

A consolidated contact list should be maintained. This should contain the names, addresses, contact numbers and responsibilities of the people required to implement the recovery process. The contact list should be stored alongside the recovery plan.

In addition to the people directly involved in the recovery process, the contact list should also include details of suppliers, vendor contacts, business partners such as electronic trading partners and key customers. One of the first management tasks will be to advise those on the contact list of the event and the actions taken to restore business processes to normality.

Business Continuity

Business continuity differs from disaster recovery in that it is more comprehensive and provides alternatives for all resources and activities so that critical business functions can continue. Disaster recovery only considers the loss of computer-related and network facilities and provides alternatives for data processing at other locations. It does not cover issues such as the requirement for office space or alternative work facilities, emergency telephone systems, operational facilities to support staff that may be disoriented by the changes or the business impact associated with the inability of customers to access services.

Business continuity management counteracts interruptions to business activities and protects critical business processes so that all key resources supporting essential business functions are available. It requires top-level commitment and sponsorship from critical stakeholders, a thorough knowledge and foresight into business impact analysis and the interdependencies on infrastructure, assets, tolerable outages, critical time recovery and process recovery prioritization.

Business continuity involves:

- prevention through good risk and threat identification, consequences and treatment that are incorporated into a risk management plan, impact analysis, risk 'heat' map. Prevention is also assisted by having an enterprise-wide knowledge and understanding of risks and approaches to identifying, preventing or reducing the possibility of adverse impacts, effects and loss in a significant incident or crisis;
- preparedness through planning for known events such as the continuity of operations at the end of an outsourcing contract, whilst the service provision is either being transferred to another vendor, or being brought back in house;
- response such as what to do when the information-related facilities are still working, but employees of the information service or parent organization are denied access to the building because of an incident; and
- recovery through being able to quickly re-establish the affected services.

Business continuity requires a sound strategy to be developed and maintained to guarantee the availability of processes and resources in order to ensure the continued achievement of critical objectives in the event of an emergency or disaster. This includes having planned arrangements to ensure the continuity of critical services and the speedy restoration of other critical business processes and services in the event of a serious business interruption. The processes will differ according to the event and level of risk. For example, the strategy to maintain business operations in the aftermath of a terrorist bombing of the office building in which the organization operates will differ from the strategy to maintain business operations during a period of industrial unrest that causes the supply of power to be continually interrupted.

Mechanisms that outline how responsive decisions are escalated, made and communicated during and after the event are important components of the response stage. These are usually found in a crisis management plan and a crisis communications plan that includes communications protocols for communicating with those affected and dealing with stakeholders and the media.

MAINTAINING AND TESTING

The efficiency and effectiveness of the business continuity strategy can only be achieved if it is maintained and tested through regular rehearsals, audits, monitoring and critical incidence reproduction. There should also be regular awareness and training programmes for all staff that incorporate human, natural environment and political components, as well as the built environment, and hardware and software failures to enable knowledge transfer and understanding of individual responsibilities.

Business continuity is a continuous and ever changing process that needs the support of executive management in order to ensure that the necessary permanent funding and availability of backup infrastructure, recovery strategies, training, testing and revision are in place to cover present day and emerging risk situations. Business continuity tools and processes must also be embedded into the organization so that they are readily understood and automatically followed in times of crisis, rather than having to be learnt during the period of most need.

Legal and Regulatory Compliance

Finally legal and regulatory compliance issues need to be managed. These include privacy protection, adherence to software licensing conditions and other intellectual property rights

protection, records and data protection evidence, audit considerations, securing of forensic evidence so that it is admissible in court, and telecommunications interception rights.

Conclusion

In an increasingly uncertain world, security, disaster recovery and business continuity are ever more necessary and complex. Everyone has an important role in ensuring confidentiality, integrity and availability of information, and a duty of care for the physical safety of themselves and others. Sustaining stakeholder trust in the virtual world of online services and transactions is predicated on the five elements of information security management:

- confidentiality
- integrity
- availability of information and resources
- authentication
- non-repudiation.

The overriding factor in the management of security is that it should be managed in accordance with the level of risk and potential threats to the organization. The requirement for a high level of security should also be balanced against the need to make information available for decision making. Ultimately, the choice is a management rather than a technical issue.

Increasingly people are a source of security violations. Whilst human error is often to blame, security violations also occur through ignorance of and negligence in following proper procedures. Security and good housekeeping practices should be addressed at the recruitment stage and monitored through the individual's life with the organization. Everyone must be made aware of information security threats, the importance of maintaining proper security and backup controls on their desk top, and be equipped to support the organization's security practices and procedures during their work such as the wearing of ID tags or use of biometrics to gain access to equipment or sensitive areas.

Physical and virtual access controls should be in place to prevent unauthorized use or access to networks, databases, enterprise systems and applications and storage devices. Formal policies and procedures should be in place that control and document the allocation of access, from the initial register and management of new users, to the management of user privileges and passwords, and the deregistration of users who no longer need access to services.

The physical environment that houses the supporting ICT, such as file servers, mainframes and network controllers, should be fully secured with access strictly controlled. They should have hazard detection and suppression controls that minimize risk from damage through explosion, fire, water or other natural disasters. Support facilities such as power supply and cabling infrastructure must also be well protected.

The disaster recovery plan is part of the business continuity management process. It specifies how an organization will maintain the information services necessary for its business operations in the face of an outage or disaster.

Business continuity differs from disaster recovery in that it is more comprehensive and provides alternatives for all resources and activities so that critical business functions can continue. It requires a thorough knowledge and foresight into business impact analysis and the interdependencies on infrastructure, assets, tolerable outages, critical time recovery and process recovery prioritization. Business continuity enables planned arrangements to be

understood and able to be put in place to ensure the continuity of critical services and the speedy restoration of other critical business processes and services in the event of a serious business interruption. It identifies different scenarios for which the ensuing processes differ according to the event and level of risk.

Finally stakeholder trust in the organization is sustained and reinforced through compliance with legal and regulatory regimes such as providing for privacy protection, adherence to software licensing conditions and other intellectual property rights protection, and the securing of forensic evidence so that it is admissible in court when things go wrong.

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Evaluating Performance

A measure of success and long-term sustainability in today's challenging and changing environment is the extent to which an organization is worthwhile and adds value through innovation, inventive systems and processes and the exploitation of knowledge and information. Equally an important component of good governance is ensuring that the information service is delivering valued and valuable products and services to its customers and stakeholders commensurate with the investment that is being made and that its performance is measured and evaluated. This includes identifying how well the information service is using its resources by relating the outcomes and outputs to the investment in the assets.

There are overlaps between excellence frameworks, quality improvement, standards, accreditation and evaluation. Performance is related to value in that poor performance gives little or no value to the user. However, value is also related to the exchange factor in that often people do not value anything that is free. The provision of information and related services comes at a cost, some of which may be subsidized. Calculating the level of subsidy in prices and costs is quite complex and involves consideration additional to just economic and financial costing models.

Barton (2004:140) states that for performance assessment to fulfil its potential as a management tool, it must be embedded within the management culture of the library and its parent organization. She quotes Lakos (2002) as defining a culture of assessment as an organizational environment in which decisions are based on facts, research and analysis, where services are planned and delivered to maximize positive outcomes and impacts for customers and stakeholders, and where staff care to know what results they produce and how those results relate to customers' expectations.

Johannsen (2004) observes that the focus has shifted from an external focus on society to an internal focus on the library itself. A similar shift from the user as a citizen with rights to the user as a customer with individual preferences and needs can also be observed. Ingrained in this shift are the values of competitiveness, economy, efficiency, enthusiasm, flexibility, honesty, innovation, professionalism, quality, reliability, responsibility, responsiveness, user orientation and work environment.

Adding Value as a Return on Investment

The linkages between adding value through the delivery of quality and innovative information products and services and a return on investment are similar to the linkages between corporate governance and decision making. Adding value through knowledge, processes and innovation can lead to an increased return on the investment, whilst at the same time, the

need to add value is a fundamental requirement in ensuring that practices and procedures deliver a return on investment as part of good corporate governance.

There are many different ways of valuing and measuring this. The following provides insight into different mechanisms that can be used within information services to determine whether value is being added and if there is a return on the investment.

PERFORMANCE AND VALUE

Information services contribute to organizational performance and transformation, sustainability, and different forms of capital through the following activities:

- Assisting the parent organization increase or sustain its financial capital, competitiveness and market share by adding value to the amount and quality of knowledge and innovation within the organization – for example, in acquiring, organizing and disseminating accurate and timely information to retain its client capital, assist new product development and to make it successful against its competitors.
- Contributing to social capital, democracy and the quality of life. In the virtual world, individual access to and the sharing of ideas, information, skills and knowledge is an important component of life-long learning, day-to-day living and democracy. Public libraries add value to the quality of life of individuals through the provision of educational, informational, recreational and cultural services.
- Adding value to information as a commodity or resource and subsequently increasing the intellectual capital of the organization. Information utilities and value-added information providers increase the value and create new information products and e-services by manipulating, merging and redistributing information in a value-added form to meet stakeholder needs. They also create new markets for information to meet prospective customer needs. An example is how Web 3.0 and 4.0 tools use spatial information in vehicle navigation devices and mobile phones.
- Recognizing that information has different values to different people in different situations and at different times which can affect financial capital. Information has unique economic properties that can affect its value at any one time. It can be stored and used at the same time. It can be reused without diminishing in value, or, in the case of competitive information, its value lies in no one else having access, and more than one client can use it at the same time.
- Assisting the organization to meet its sustainability and natural capital obligations through research and advice on best practice regimes.
- Using ICT as a tool for enabling anywhere anytime support and e-service delivery to mobile devices as well as assisting information services to participate in global information-centric collaboration to deliver 24x365 services.

Within these activities return on investment can be measured by assessing:

- relative delivered cost – how the information service is increasing its productivity and lowering its costs across all outlays in the value chain;
- relative performance – how the information service is adding strategic value to the organization and its clients through its ability to offer innovative and valued products and e-services; and
- financial savings – how the information service is delivering savings to the organization.

The return on investment for information products and services is also enhanced by:

- adding other information to the original information, for example by crowd sourcing or layering spatial information;
- reprocessing and repackaging the information to meet market or customer demands;
- making information more accessible to customers in a variety of manners using Web 3.0 and 4.0 tools; and
- refining the information to meet individual needs, such as tailoring information according to location.

The above points are regarded as enhancements to the value chain. However, information by itself is not necessarily useful. If it is not used, for example, it sits unused within an information system because people do not know of its existence, or, it is not useful to clients or the business because it does not meet their needs, then it has no value to the organization. Burk and Horton (1988) have suggested five ways in which the performance and value of information may be measured:

- quality of the information itself – accuracy, comprehensiveness, credibility and currency;
- quality of the information holdings – accessibility, adaptability, ease of use, format;
- impact upon productivity – greater returns, improvement in decision making, more efficient operations;
- impact on organizational effectiveness – new markets, improved customer satisfaction, meeting goals and objectives; and
- impact on financial position – cost savings, creation of new assets, improved profits.

Burk and Horton (1988) go on to rank or rate the information resource according to:

- its effectiveness in supporting the activity it was designed to support;
- its strategic importance to the activities of the parent organization; and
- the strategic importance of the activities being supported to the parent organization.

These generic measurements of performance and value for the information resource may also be applied to measure the value and performance of the individual work units within the information service as well as to the information service as a whole.

PUBLIC VALUE

Public value has been defined by Kelly et al. (2002) as 'the value created by government through services, laws, regulation and other actions'. Concepts of public value developed by Angela Firth (2006) have been further refined by the Office of e-Government (2007) to include:

- service quality – measured by high take-up, satisfactions levels, degree of accountability and choice, ease of finding information and responsiveness;
- service efficiency – measured by improved levels of productivity, reduced costs, throughput, transparency, improved procurement and well-motivated staff;
- trust – measured by levels of fairness, reliability, acceptance, security, privacy and citizen participation in decision making; and

- outcomes – measured by healthier people, skilled and informed people, safer communities, more jobs, economic development and better lifestyles.

The concept of public value is in itself valuable as a benchmark against which valuable outcomes to citizens and business can be measured.

SERVICE QUALITY

In the service era, quality has become an unquestionable value that governs the survival and sustainability of organizations. Balague (2009:288) describes quality as a multidimensional, multilevel and dynamic concept: it is a social construct, always relative and continuously evolving so that what satisfies a customer today, will fail to do so tomorrow. Quality is what customers perceive as a result of the comparison of products and services with others, and through reflecting on their own feelings, previous experiences and expectations and is always deeply related to the contextual settings.

Perceived service quality has been defined by Zeithaml (1988) as the customer's assessment of the overall superiority or excellence of the service. Ladhari and Morales (2007) identify three dimensions of service quality as affect of service, information control and library as place.

Affect of service focuses on the human dimension of service quality, such as how well users are served and treated by library staff. For example, how employees:

- instil confidence in users;
- give users individual attention;
- are consistently courteous;
- are always ready to respond to users' questions;
- have the knowledge to answer users' questions;
- deal with users in a caring fashion;
- understand their users' needs;
- are always willing to help users; and
- show dependability in handling users' service problems.

Information control is concerned with the ability to navigate the information universe. It considers how well the collections – both print and electronic – support learning, teaching and research, and how easy it is to locate and access the needed materials. For example whether the library's:

- electronic resources are accessible externally, for example from home or office, on a mobile or tablet; and
- website enables a client to locate information easily without assistance.

The third dimension is 'library as place' and focuses on how well a library meets the individual needs of users who look for a place to do research and study. For example, the library has:

- spaces that inspire study and learning;
- quiet spaces for individual activities;
- a comfortable and inviting location;
- Wi-Fi facilities for study, learning or research; and
- community spaces for group learning and group study.

Today there is a fourth dimension: 'the library as a virtual place' focusing on how well a library designs, promotes and provides its services in a virtual space to meet the individual needs of users using social media and electronic access to collaborate, study, learn and research in the electronic environment.

SERVICE VALUE

In a world of intense competition, the provision of service value to consumers is increasingly being used as a strategy for success and a differentiator of service marketing strategies. The following provide different concepts of service value as referenced by Ladhari and Morales (2007):

- Zeithaml (1988) identified four meanings that consumers associate with value: value is low price; value is whatever the consumer wants in a product; value is the quality that the consumer gets for the price paid; and value is what the consumer gets for what he/she gives.
- Parasuraman and Grewal (2000) have distinguished four value types: acquisition value, transaction value, in-use value and redemption value. Acquisition value is defined as the benefits buyers think they receive when acquiring the service. Transaction value is the pleasure consumers feel for getting a good deal. In-use value is the utility derived from using the service. Redemption value is the residual benefits received at the time of termination.
- Petrick (2002) identified five dimensions of perceived service value. Three of the five dimensions represent what a consumer receives from the purchase: emotional response to the service, quality received from the service, and reputation of the service. The two remaining dimensions are related to what is given and includes monetary and non-monetary price.

BALANCED SCORECARD

Missingham (2005) also includes the balanced scorecard methodology in her research into the value of libraries over the past decade. She notes that this tool, developed by Kaplan and Norton, enables clarification of the organization's vision, defining expected results in terms of financial perspective (including return on capital), customer perspectives, internal business processes, and the learning and growth of staff. Libraries using this methodology are able to demonstrate value by linking their activities to the organization's value statements.

CONTINGENT VALUATION

Contingent valuation is an economic methodology used to estimate the value that a person places on a good or service. It is based on surveying individuals to establish value. Missingham (2005) explains that it seeks to determine:

- how much individuals would be prepared to pay – willingness to pay (WTP) – in order to secure the provision of a public good; and
- how much money they are willing to accept for loss of quality of life – willingness to accept (WTA).

Applied in the information services context, the methodology enables consideration to be given to the cost implications of having or not having an information service.

Missingham (2005) quotes the British Library study of 2004 that was based on contingent valuation and assessed the value enjoyed indirectly and directly by UK citizens. Over 2,000 individuals were surveyed to assess:

- willingness to pay – asking individuals how much they are willing to pay to continue to access the service and directly measure the demand curve with a budget constraint;
- willingness to accept – asking individuals how much they are willing to accept in compensation to forgo the service and directly measure the demand curve without a budget constraint;
- investment in access – estimate of time and cost invested in accessing the service;
- cost of alternatives – costs incurred if forced to use alternatives; and
- price elasticity – change in demand with a change in price.

The study showed that the British Library generates value around 4.4 times the level of its public funding.

The ultimate criterion for assessing the quality of a service is its capability to meet the stakeholder needs it is intending to serve, and the value of a service must ultimately be judged in terms of the beneficial effects accruing from its use as viewed by those who sustain the costs.

Pricing Information

The 'user pays' environment, different pricing models in the publishing industry and the recognition of the business value of information has created the need to consider the cost of information and how to apply a charge or price to information when it is accessed, downloaded or transferred to another party in the form of an information product or service.

Pricing of information products and services is linked to issues such as financial management and costs of service provision, equity, the opportunity presented to do something with the information, the economic properties of information, value to the customer and willingness to pay. Sometimes avoidance costs are taken into consideration, where the cost of not having the information is factored into the equation. An example is the public utility that offers information under a 'Dial before you Dig' programme where information about water and sewerage pipes, energy pipelines or communications cables are provided free of charge, on the basis of this being more cost effective than the cost of repairs in the event of accidental severance.

Generally the value of information to an organization can also be assessed as:

- a consumption good – where the organization sells the information as a value-added product;
- a customer service good – where the organization provides information as part of its services; or
- an investment good – where the organization uses it for decision making to achieve competitive advantage.

SUBSIDIZATION

Information products and services are not free. There are costs associated with capturing or purchasing data and equipment, storage, processing, production, distribution and exchange.

However, the nature of some information, particularly that which is provided as a customer service good, is that its value and optimum return on investment lies in it being fully subsidized. Subsidization is a policy decision that takes into account social or community service obligations where everyone contributes some or all of the funding of the service so that the service is delivered as:

- fully subsidized – information products and services are made available at no cost to the user, the total cost being absorbed by the business entity, information service or parent organization as part of a community service obligation, or as a way to attract clients such as in the provision of free Wi-Fi in coffee shops and fast food outlets;
- partially subsidized – information products and services are made available at nominal cost. The information service or its parent organization exercises partial cost recovery and funds the remainder of the costs of providing the products or services internally; or
- full cost recovery – information products and services are made available either at market rates (cost and profit) or at the rate required for total cost recovery from the customer.

CONSUMPTION GOODS

Other information products and services have a value to specific customers in that they are designed and offered to fit a specific market need. These fall into the category of a consumption good. An example is where a library may offer specific research services tied to its local history collection to architects who specialize in restoring old houses. These services can be made available on a full cost recovery basis. As a consumption good different charging strategies can be used for information products and services that are influenced by:

- product or service intensity – services that are provided in depth will often command a higher price than others that have less depth or detail;
- product life of the information – information that is rare or offers a new perspective will usually be of greater value. In contrast, out of date information has no value;
- supply time – push services that deliver immediate information such as fluctuations in currency exchange or the prices of stock generally can command a higher price point;
- customers' ability to pay and type of customer – organizations reliant on value-added information to create their next business advantage will generally pay more than clients requiring information for more personal reasons;
- medium or format – the medium or format influences the cost of dissemination of the information product or service. For example electronic information can be charged according to a:
 - time-based subscription fee such as an annual fee for either limited or unlimited use;
 - fee based on the number of accesses and/or downloads; or
 - one-off flat fee.
- extent of the value-added processing – information that is tailored to meet specific or individual needs and is highly processed will command a higher price than a more generic information product or service.

Performance Evaluation

Performance measurement and evaluation are important management activities. They serve two purposes:

- as an assessment of how effective the information service is in its performance; and
- as an accountability factor to the stakeholders by measuring the appropriateness and efficiencies of services.

Performance evaluation is the process by which the information service determines whether it is on course for the achievement of the parent organization's objectives. The process includes:

- establishing an appropriate evaluation process;
- measuring and evaluating the performance; and
- adopting procedures for acting upon the outcomes and recommendations of the evaluation.

ESTABLISHING AN APPROPRIATE EVALUATION PROCESS

The establishment of the evaluation process requires the development of specific objectives and the institution of performance indicators to measure progress. The specific objectives define the intended level and quality of the service, the outcomes to be achieved, and the timeframe and resources available to achieve the outcomes.

The timing and format of the evaluation depends upon whether management is evaluating the continuous performance of the information service as a whole, of each of the work units, or a specific project or aspect of the service. In the case of the latter, the performance of the service should be evaluated prior to and at the completion of a specific project. Finally, actions should be initiated in response to any findings or recommendations that arise out of the evaluation.

Tangible evidence of performance for information services operating within profit-making organizations is found in the extent to which they contribute to corporate competitiveness, overall profit growth, sales increase and increased return on investment. The measurements of leadership capabilities of the information services manager could include the information service's ability to:

- provide an increased level of services to meet customers' needs;
- improve and extend information systems to match the growth in the corporate demand for information; and
- maintain the competitiveness of the organization through either doing more with less, obtaining strategic information or applying innovative uses to existing technology.

In non-profit-making organizations effectiveness is usually based upon comparative measures such as benchmarking, outcomes and outputs, or subjective evaluations. Comparative measures are often related to budget expenditures such as cost per unit of output, or on market share ratio such as percentage of senior citizens (clients) who utilize the services of a public library.

MEASURING AND EVALUATING PERFORMANCE

Appropriateness

Appropriateness measures the business fit of the information service with the goals and objectives of the organization and how it meets the needs of key stakeholders. This includes the level of consistency of service with the future business direction of the organization and the extent to which it takes into account risk and other evaluation mechanisms.

Outputs and outcomes

Outputs and outcomes are two of the most common means of measuring and evaluating the effectiveness and efficiency of an information service's performance. Outputs provide a simple focal point for measuring the cost effectiveness of the information service. They can be compared with inputs to measure efficiency, and with the corporate objectives to measure effectiveness. They demonstrate value in terms of efficiency in managing human and material resources and in being financially responsible – for example the average number of Web chat enquiries successfully handled by an individual within a 15-minute response time. Output measures can also be used to determine how processes and services can be made more cost effective, or to benchmark services and activities against other services.

Services are evaluated or appraised through outcomes. These measure the impact of the outputs on the target market and the environment. They are the intended consequences of the information service's activities and are found in achievements such as changes in circumstances or behaviour, or benefits such as needs that are satisfied.

Impacts are a third means of measuring effectiveness. These measure what differences, positive or negative, have been made.

Quality and value

Tangible measures of efficiency are linked to value for money and involve the extent to which productivity is improved or duplication is lessened. Value for money also considers whether there are alternative or more sustainable mechanisms for delivering services for lower costs and/or better outcomes.

However, many of the benefits of the information service are intangible. The quality of the service may be recognized by the customers and stakeholders or senior management, but it is often difficult to apply concrete measures that can be directly attributed to the information service. Sometimes an attempt is made to assume some sort of qualitative measures by applying a timescale to the quantitative measures, for example the number of enquiries or advice taking 15 minutes or more. The assumption is that the longer the period of time taken, the more in-depth and valuable the service given. There are two problems with performance measures of this type:

- there is not necessarily a correlation between time and quality; and
- they fail to measure the impact or outcome of the advice and how it was used in the value chain.

For example, the customer may be dissatisfied with the advice but out of politeness and consideration for the staff have made them feel helpful and successful.

The measures of quality (capability) and value (benefit) that arise out of the above example are much more difficult to measure directly. Indirect measures have been used, but as Orr (1973:320) points out, the relationship between capability and utilization is mediated through demand, which is itself a highly complex variable.

Three measures of performance are common to all services. These are efficiency and two other aspects: 'how good is the service?' and 'how much good does it do?'. The latter can be expressed as quality and value or effectiveness and benefit. Orr (1973:318) states:

If the work units that comprise the information service collectively supply pertinent and timely information in an efficient manner that enables the organization to take advantage of its competitors, it will be perceived as being a valuable asset by senior management and funded accordingly. Services that are efficient and reflect the needs of the customers are usually well supported. Customers convey positive feedback to senior management and tangible effects are felt upon the parent organization. This support is reflected in the level of funding that the information service receives. In contrast, poorly focused, inefficient information services result in disillusionment for both the staff and customers. This is manifested in a lack of commitment by customers, senior management and other stakeholders. Unless the service is refocused to meet customer needs and the quality of service improved, the information service and its level of funding will invariably decline.

Cause and effect

Orr (1973:318) has developed four basic propositions:

- that, other things being equal, the capability of the service tends to increase as the resources devoted to it increase, but not necessarily proportionately;
- that, other things being equal, the total uses made of a service (utilization) tend to increase as its capability increases, but not necessarily proportionately;
- that, other things being equal, the beneficial effects realized from a service increase as its utilization increases, but not necessarily proportionately; and
- that, other things being equal, the resources devoted to a service increase as its beneficial effects increase, but not necessarily proportionately.

The cause and effect sequence is useful in that it points out that funds invested in different services or work unit activities may not necessarily have the same impact. There are other important interactions that have just the same, if not more, effect on the services. For example, in competitive, customer-oriented environments it is quality and innovation, not quantity, which distinguishes an information service. The knowledge, creativity and resourcefulness of the staff can have more impact on the quality and value of the service than the funding level. The level of resources and funding still has some bearing upon the output and performance of the information service. Without adequate resources, the services will gradually decline. However, funds alone do not constitute a good service. The effectiveness of the information service's policies and practices, staff competence and morale, and the leadership skills of management also impact the quality of the service.

Performance Indicators

A performance indicator is the formula that is used to measure progress, quality and level of service towards achieving the organization's objectives. It is the means of knowing whether

Table 23.1 Examples of performance indicators in an information service

Type of indicator	Objective	Performance indicator
Workload	To scan 2,500,000 items into a digital image system over a period of three months as part of a project to digitize and preserve an archival collection.	Actual work progress in terms of the number of items accurately scanned at the end of each week of the project.
	To answer 10,000 client requests for information via Web-based chat facility per year.	Actual requests for information (reported monthly).
Efficiency	To support an office desk-top environment at a maximum cost of \$120.00 per person per month.	The actual cost of providing the office desk-top environment (based on unit cost).
	e-business application to provide client transactions at a maximum cost of \$5.00 per transaction.	The actual cost of client transactions each month (dollar value of resources used divided by the total number of transactions per month).
Effectiveness	Customer satisfaction in level of choice and quality of service.	Levels of customer satisfaction determined by surveys, customer feedback, number of complaints.

a specific objective is being achieved (see Table 23.1). However, even success in producing outputs and achieving outcomes does not call for complacency. The results should be analysed to see if there are better ways of achieving the same results at a lower cost.

Performance indicators combine the elements of inputs, outputs and outcomes. Generally three types of indicators are used. These are:

- workload indicators
- efficiency indicators
- effectiveness indicators.

Workload indicators are output oriented. They measure the amount of work achieved against set milestones. Efficiency indicators compare resource inputs against resulting outputs. They quantify the resources used to achieve the intended outputs (services or products) so that the ratio of outputs to inputs can be determined. Effectiveness indicators measure the extent to which services achieve objectives using qualitative and quantitative indicators.

Performance indicators must be relevant to the cause and should clearly relate to the specific objectives of the service. They should be measurable. The information used must be reliable, valid and verifiable. Data collection should be accurate and unbiased, interpreted accurately, and collected in time for proper use to be made of it. It is important that the indicators are not subjective. They should be capable of being translated into meaningful information for use by those who require them.

Each indicator should be unique. It should reveal some important aspect of performance that no other indicator does. The value of the information should be weighed against the costs of the collector's and analyst's time, efforts and resources. The degree to which routine operations are impeded in collecting the data, and the acceptance levels of staff time and operating expenses should be balanced against the value of the information provided.

Often mechanisms for evaluating performance through a client or staff survey or client focus group can be reused as part of a quality improvement or external accreditation process, an internal process for meeting service standards and service evaluation.

Taylor (1986:181–184) has defined several other qualities or attributes that can assist in producing meaningful indicators in information services. For example, the audit should be at a definable point in the process, such as the number of abstracts completed or requests for information processed. The activities should be easy to count and define. For example, enquiries can be classified as taking under one minute, one to three minutes, five to ten minutes, and so on.

A defined output should also be consistent with existing information systems and, if possible, covered by historical data. Like should be compared with like. The historical context is important as it allows for comparisons over a period of time. The output should have a terminal quality. It should be isolated and counted at the point where it changes function and status. For example, the issue of a library book changes the status of the book from an asset or library resource to a source of information, education, culture or recreation for the customer. By counting issue transaction statistics, public libraries are counting one of the sources of added value to the quality of life in their communities. The outputs are the result of a process in which value is added.

Conclusion

Ensuring the return on investment in the information service is a complex issue that is directly related to planning and managing projects to fit the business needs of the parent organization and the customers' information and service needs. It also requires consideration of how the return on investment can be increased at the different stages of the value chain, and charging strategies for information products and services.

Information services often experience difficulty in designing quantitative and qualitative measures that prove their value as many of the benefits are intangible or linked to other outcomes for which they cannot be directly accountable. Outcomes such as the value of the service in contributing to organizational competitiveness, its social value and contribution to a community, or the creation of value-added, information-based products and services can be used to measure performance and value. Other mechanisms through which the performance of the information service (and its information resource) may be valued include accuracy, comprehensiveness, accessibility, adaptability and ease of use, impact on productivity, impact on organizational effectiveness and impact on financial position.

In order to measure performance, information needs to be collected and analysed over time. The information services manager must determine what pieces of information are needed to evaluate or measure the service's performance.

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PART V

CUSTOMER AND MARKET FOCUS

The theme for Part V is positioning the information service to excel in and sustain efficient and effective services that meet the right customer needs. It deals with defining and managing the customer-focused end products and services that result from all of the other activities in the book. It also considers alternative strategies that can be used to deliver products and e-services. As a reflection of its level of importance, this part could easily be placed at the beginning of the book. However, it has been located towards the end of the book as it builds upon all the other practices and processes that must be in place within the information service to support service delivery.

Chapter 24 considers strategic marketing strategies to increase and sustain the competitiveness of the information service in both challenging and changing times and where a global context means that services and products can be sourced locally, nationally and internationally. It outlines the process of a strategic marketing exercise and explains the marketing mix, or 'the four Ps' of product, price, place and promotion, in the context of information services. The chapter also outlines how markets can be divided into market segment groups of need markets, geographic markets, product markets and demographic markets. Market targeting can be undertaken through three strategies: undifferentiated marketing, differentiated marketing and concentrated marketing. Each strategy is explained drawing upon examples in information services. Customer satisfaction studies also provide an indication as to whether existing information service customers are satisfied with current services.

Underlying the marketing concept is a system of exchange. The theory behind exchange system analysis is explained in the context of information services. A further analysis that can be used in marketing is the competitive portfolio analysis. Chapter 24 explains how the product life cycle and the Boston Consulting Group's portfolio matrix can be used in a competitive portfolio analysis. A specific example of how the competitive portfolio analysis can be used in managing library stock is explained. Today, organizations are making widespread use of Web 3.0 and 4.0 tools to understand their customers' needs and behaviours in order to develop stronger relationships with them. Chapter 24 introduces some of the issues for successful customer relationship management. Finally, Chapter 24 describes the rejuvenation strategies that can be used to recover some services' lack of use over time or to stop the decline in the product life cycle.

Positioning the information service to excel requires consideration of how the corporate image is formed, managed and projected. Chapter 25 considers image analysis in the context of determining service provision. Image studies measure the perceptions that people have about the information service. Chapter 25 also looks at strategies for projecting the information service externally through communication. Information on managing the

corporate image is included as well as other formal communication mechanisms, such as annual reports and submissions to outside bodies. Chapter 25 also provides a model for a communications plan.

Whilst Chapter 24 focused on understanding customers, product preferences and the market place, Chapter 26 is concerned with ensuring quality service and service support once the customer has engaged with the information service. This chapter introduces the reader to quality control and choice in service delivery. It makes the point that people have differing perceptions of quality according to how they judge it and their cultural background. The chapter lists the main determinants of quality and identifies five gaps that can cause unsuccessful service delivery. The role of quality in the value chain is covered, as is the need for continuous rather than one-off improvement.

Chapter 26 reflects a customer approach to management. It describes these in terms of 'Rs' that stand for retention, requirements, refined segmentation and so on. The chapter points out that the delivery of the service or product is only the beginning of the relationship between the organization and the customer. Choice of channels and service backup is extremely important to deliver a total quality service. Suggestions for a customer service charter are included. Finally, the chapter describes how technology can be used by organizations to retain their customers.



Figure PV.I Customer and market focus

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Competitive Strategies

Organizations today face many challenges if they are to survive in a continuously changing and highly competitive environment. They must achieve three concurrent goals: customer satisfaction, market domination and increased profitability. They must not only meet current customer needs, but also continually embrace opportunities and seek the next new competitive advantage.

Today the information service market is characterized by intense competition and is driven by digital or virtual services. The virtual world typified by Web 3.0 and 4.0 applications, Facebook, Twitter and other social media sources delivers instantaneous and personal customer experiences, reactions and communication. News now spreads instantaneously and globally about positive and negative customer experiences. Customers share their experiences through social networking channels in a candid and forthright manner. As such the virtual world presents immediate opportunities and threats to organizations in terms of service delivery and customer retention and relationships. Information services must take a proactive management approach, developing a marketing-oriented culture and providing consistently higher-quality online customer e-services.

A market is a set of individuals, groups or institutions that are actual or potential customers for a product or service. Strategic marketing is part of the total planning process and assists the organization to remain competitive. In considering future markets, strategic marketing makes use of many of the concepts and functions of strategic planning. Strategic marketing strategies ensure viable market positions and programmes for the sustainability and success of the information service.

Market segments comprise individuals or groups who are actual or potential customers of the information service. Markets can be divided according to need, product, preferred means of contact, demography and geography, each market having its own particular characteristics. Market targeting involves the evaluation of, selection of and concentration on the desired market segments. There are three strategies for market targeting: undifferentiated marketing, differentiated marketing and concentrated marketing.

Various analyses assist marketing strategies. These are exchange system analysis, image analysis, customer satisfaction studies, competitive portfolio analysis and product life cycles. The exchange system analysis is useful as it enables the information services manager to identify what the customers are prepared to exchange for the services that the information service offers. Its importance lies in the fact that both tangible and intangible items can be identified, including the more esoteric values that the information service community may hold. This may be useful information when planning new e-services or in justifying existing services in a financially constrained environment. Customer expectations are always increasing and customer satisfaction studies determine whether customer expectations for services are higher or lower than those being provided. Product life cycles and product

portfolio matrices help the information service to determine which areas have the potential for growth. Finally, diversification and service rejuvenation can help to instil new growth in ailing services.

Supporting these strategies are customer relationship tools that enable the information service to collect and analyse information about customers' needs and behaviours in order to develop stronger relationships with them.

Strategic Marketing

Strategic marketing has been defined by Kotler et al. (1980:56) as 'a managerial process of analysing market opportunities and choosing market positions, programs and controls that create and support viable businesses that serve the organization's purposes and objectives'. Strategic marketing adds value by creating an understanding of the value that customers seek, which in turn influences organizations to create and communicate that value. It is a business philosophy that puts the customer at the centre of overall activities of the organization.

Ladhari and Morales (2008:353) quote Snoj and Zdenka (2001) in saying that the intense competition in the information service market is highlighting the importance of marketing knowledge in the management of libraries. Library administrators need to improve their consumer knowledge as well as their performance in providing services as a means to satisfy library users. Consequently it is important for everyone to understand:

- the entire range of existing and potential services;
- where they will compete and where they will leave areas for the competition;
- the services with which they will compete now and in the future;
- their competitors' objectives, strengths and weaknesses, performance and strategies;
- changes in the market place and market space, especially new technology directions;
- their customers' own business objectives and strategies; and
- how they will best deliver their services into the future.

THE MARKETING MANAGEMENT PROCESS

Kotler (1999:30) has identified five basic steps in the marketing management process that can be represented as:

$$R \Rightarrow STP \Rightarrow MM \Rightarrow I \Rightarrow C$$

Where:

R = Research (that is, market research)

STP = Segmentation, targeting and positioning

MM = Marketing mix (popularly known as the four Ps, that is, product, price, place and promotion)

I = Implementation

C = Control (getting feedback, evaluating results and revising or improving STP strategy and MM tactics).

These five steps are explained as follows.

Research (R)

The research component builds upon the information already obtained through the strategic audit undertaken during the strategic planning process. This includes information about the present and future environment, stakeholders, the external and internal environment,

mission, programmes, and performance evaluation and review. Additional information relating to markets, customers and the resources is gathered by researching:

- the primary market for the information service and how this may change over the next few years;
- the major market segments in this market;
- what can be offered that is different to competitors' offerings;
- how potential customers learn about the information service and make decisions to use its services;
- whether the service has the skills, resources and assets to achieve the strategy; and
- the competitive benefits that can be offered to the target market through market positioning.

Rowley (2012:197) focuses strategic marketing research on gaining intelligence about the way in which competitors are seeking to secure competitive advantage, their weaknesses or points of leverage, and areas in which it is possible to launch a competitive challenge. This involves not only developing an understanding of competitors' current weaknesses, but also making judgements about the options that are open to them. This requires:

- an understanding of the market's dynamics and competitive activity;
- an understanding of the constraints that restrict competitors' movements;
- an understanding of competitors' value chains, cost structures and cash flows;
- an evaluation of competitors' strengths and weaknesses with regard to the key success factors in the industry.

A SWOT analysis can also be used during this process to identify new opportunities that are in line with the objectives of the service. Other analysis tools that can be used to gather information include needs analysis, image analysis and customer satisfaction studies.

Segmentation, targeting and positioning (STP)

Proposed opportunities for information services are then analysed by considering market segmentations, the size and growth rate of the customer base, consumer behaviours, possible exit barriers and some forms of measuring and forecasting the attractiveness and long-term sustainability of the services.

Market segmentation is the division of the market into groups with specific requirements. In information services there can be need markets, geographic markets, product markets and demographic markets.

- Need markets – These consist of individuals or groups who have similar or common needs or are seeking similar benefits. By grouping people with similar needs, services can be more effectively planned with some level of individual customization.
- Geographic markets – Whilst globalization and the ubiquitous use of information and communications technologies have created a worldwide footprint in the provision of information services, local or geographic markets still need consideration in planning and designing e-services. Geographic markets can determine the type, size and setting of the information service together with the operating hours and services offered.
- Product markets – These are determined by a demand for a particular product or e-service. This market could be further segmented according to specific scientific or technical information requirements such as spatial information being required by field geologists.

- Demographic markets – This is one of the most popular methods of distinguishing market segments in information services. Demographic markets may be identified by age, nationality or physical needs such as the physically impaired.

Markets that can be subdivided into identifiable segments or subsets may require individual marketing strategies. The information services manager should be aware of their:

- market segments' current and potential future size;
- major customers and potential customers, their locations and virtual access needs;
- customers' and potential customers' current levels of awareness of the range and levels of existing services;
- customers' needs and motives for using the services; and
- customers' concepts of competitive alternatives to the information service.

The strength in the market segmentation approach lies in the fact that it is based upon the customer rather than the product or service. The customer is assured of a service that satisfies as far as possible their individual needs rather than a mass-market offering. This is in line with the societal marketing concept.

Market targeting involves the evaluation of, selection of and concentration on specific market segments. There are three strategies for doing this: undifferentiated marketing, differentiated marketing and concentrated marketing.

- Undifferentiated marketing – This is also called mass marketing and occurs where the information service focuses upon the needs that are common to all people, such as links for 'Contact us' and 'About us', and chat e-services on a website. Services are provided that appeal to the broadest number of customers. In concentrating on these basic services, the information service attempts to achieve excellence. Undifferentiated marketing can also be pursued in times of financial constraint, when additional or specialist services are curtailed, and basic services consolidated.
- Differentiated marketing – This occurs where the information service decides to operate in at least two segments of a market and designs separate services and programmes for each. In a large corporate organization this could mean differentiating e-services to research and development staff and to team members who work virtually to the office environment. A variety of programmes to suit the diverse needs of different customers is provided. The aim of this approach is to provide services catering for specific needs that strengthen the information service's overall identity within the organization and increase its use. However, specialist e-services may also involve additional staff with specialized skills and expertise, administrative and promotional costs.
- Concentrated marketing – This is also called niche marketing and occurs when the information service concentrates upon a small number of submarkets. Instead of spreading itself thinly, being all things to all people, the information service provides in-depth services in a few areas, serving a smaller percentage of the market place. It purposely determines a small number of target markets and sets out to concentrate on providing quality services to these. As a result, it achieves a strong market position through its detailed knowledge of its market segments' needs and its subsequent reputation.

No one strategy is superior to the others. In adopting a particular target strategy, the information services manager must base his or her decision upon the type of information service; the financial, technical, human and information resources available; the availability

of competitive services; customer and potential customer needs; and the types of services having the potential to be offered. The information services manager must then decide which strategy is the most attractive given the constraints and opportunities of the information service's external environment, and its own strengths and weaknesses.

The final part of the STP step is the process of competitive positioning. This involves researching competitors' services and the needs of the target market in order to find a market or market niche. It determines whether the information service is in a strong or weak competitive position, whether the programme is attractive and whether there is high or low alternative coverage.

Once a target market has been defined and the service's competitive position determined, a market strategy is devised. This includes the development of the marketing goals and objectives. Goals may include such aspects as increasing the quality of the information service, its participation level, or its satisfaction level. Funds need to be allocated to the marketing budget. New services that are designed to meet new markets should have the important values explained to staff before commencing the service.

Marketing mix (MM)

A marketing mix is a key part of the marketing strategy. A four-factor classification called 'the four Ps' has been defined by McCarthy (1971:44). These are product, price, place and promotion.

- **Product** – This refers to the quality, design, features and branding of information services and involves the special features offered, the way they are offered and level of service provision. The driving force is customer value.
- **Price** – This relates to whether a direct fee is attached to the service such as a time-based subscription fee like an annual fee for either limited or unlimited use, a fee based on the number of accesses and/or downloads, or a one-off flat fee. There may be price modifiers such as discounts or community service obligation allowances. The driving force is the cost to the customer.
- **Place** – This concerns the logistical provision of the service such as to a tablet or mobile phone, coverage and locations of service points in the market place, and multi-channel management in the market space. The driving force is customer convenience.
- **Promotion** – This involves the advertising and publicity campaigns, the message communicated, the media used and the timing of such. Promotional campaigns should be realistic and affordable.

Kotler (1999:95) suggests the addition of two more Ps that are becoming important, especially in global marketing. They are:

- **politics** – political activity such as laws or embargos that inhibit electronic communications to certain countries; and
- **public opinion** – new moods and attitudes that can affect their interest in certain products and services.

Implementation (I)

Having completed the strategic planning component of marketing, the information service must determine how products and services will be distributed and promoted. This will

include choice of delivery channels that are considered in full in the chapter on ensuring service quality.

Control (C)

Getting feedback, evaluating results and revising or improving the STP strategy and MM tactics can be achieved through customer satisfaction studies. These provide an indication as to whether existing information service customers are satisfied with current services. Customer satisfaction studies are a marketing tool as they can be used as an argument to maintain existing funding levels if the results are good, or for increased funding if the results show that customer expectations for services are higher than those provided.

The results of the customer satisfaction study can be plotted onto the matrix graph according to their performance rating and importance (see Figure 24.1).

This will determine which services need improved performance and which services should be discontinued. Services falling in quadrant A are important services that are being well provided. Services in quadrant B have possibly too high a performance level for their importance. The information service staff can afford to pay less attention to these services.

Services that fall into quadrant C have only a low priority and performance is deemed as low. These services can be the first to be abandoned if resources are scaled back, in order to concentrate on those services in quadrant D. Quadrant D includes those services that are acknowledged to be important, but where the information service is performing badly. This is the area where resources need to be concentrated.

	D	A
Extremely important	Service is important Performance level is low Information service needs to concentrate on services in this area	Service is important Performance level is high Information service should maintain current position
Importance of service	C	B
Less important	Service is low priority Performance level is fair Information service may abandon this service	Service is less important Performance level is high – possible overkill Information service can afford to pay less attention to this service
	Low-level performance	High-level performance
	Level of performance in service offering	

Figure 24.1 Matrix graph to determine services

Push and Pull Marketing

Web 3.0, 4.0 and beyond applications have fundamentally shifted the business model from one of push to pull. Where advertising and other marketing content was once used to make potential customers aware of new products and services and potential employees aware of career opportunities, consumers and potential employees pull this information themselves off the Web and social networking tools. Supplementing this is the use of cookies and other intelligent devices that track user profiles and enhance the stickiness of customers to websites.

Hayashi (2010:16) in a review of Hagel et al.'s *The Power of Pull* observes the differences in push and pull mindsets. Characteristics of pull are collaboration, flexibility and bottom-up initiatives, with a concern for information flows that leverage internal and external resources to bring new products and e-services to market. Push, on the other hand, relies on centralized control and the hoarding of customer data.

The pull business model requires rethinking marketing and customer engagement strategies – utilizing crowdsourcing and social media to engage consumers in determining and designing their future product and service needs.

Exchange System Analysis

Underlying the marketing concept is a system of exchange. The potential for exchange exists when two or more parties possess something of value that may be exchanged. This may be goods, services, money, a favour or goodwill. The simplest exchange is between two parties, and such an exchange may be seen in a public library where a customer may exchange money for access to a computer. Government departments also provide information services in exchange for monies received from rates and taxes. There is no direct exchange between the customer and the department as the rates or taxes that fund the service are paid to the revenue collecting agency of the government in power. Information service staff also exchange their knowledge and expertise, time and energy in return for salaries and other fringe benefits from the employing organization.

Multiple-party exchanges occur when three or more parties are involved in exchanging something of value. In the case of the storytelling session example in the public library, the parents require that their children meet others of the same age, engage in a learning process and be happy. They are exchanging their time for social and educational processes for their children. They also require that the library staff are friendly, have security clearance for working with children, and that the library is clean and safe. In this instance they are exchanging monies paid in rates for services and the safety of their children. The children who attend want to have fun, maybe learn something and therefore obtain their parents' approval. They are exchanging their time for their parent's love and acceptance. The public library, in holding the storytelling sessions, wishes to promote the library as a fun place and as a life-long institution for information and self-education. The storytelling session must meet all of these needs in the exchange process.

Competitive Portfolio Analysis

The product life cycle and the product portfolio matrix are used to make strategic marketing decisions as part of the competitive portfolio analysis. Whilst they are based upon products rather than services, their general concepts can be used to distinguish which services have

potential for growth and which are at the end of their useful life. In addition to ensuring that the information services remain current, knowledge of the growth and decline of services affect tasks and activities, budget allocations, technology use, staff levels and the future direction of the information service.

PRODUCT LIFE CYCLE

The product life cycle is based upon the concept that products or services, like living things, have a finite life span. The basic proposition is that market growth and competitive characteristics change from one stage of the product life cycle to the next. These changes have important implications for marketing and planning strategies.

The introductory stage of an information service is usually marked by slow growth in use, heavy advertising and promotion. Staff must develop the service to suit customer needs, and much enthusiasm is needed. In the growth stage, there is an increase in use of the service that is still promoted quite heavily, and staff may have to fine tune the service further to suit customer needs. The maturity stage is characterized by such services being seen as standard, a slowdown in growth and the spending of less time and money on advertising. In the decline stage, fewer people use the service, it is often superseded by other more appropriate services or deemed to have a low priority, and plans are made to terminate it. Information technology shortens the life cycles of information services with many services quickly becoming obsolete as new applications emerge.

The life cycle concept has some drawbacks. Sometimes the stages in the life cycle cannot be clearly separated and may be difficult to distinguish. For information services, the maturity stage is the dominant stage and most services fall into this category. It is often difficult to predict when the next stage of the life cycle begins or how long it will last. Rejuvenation strategies may be used to stop the decline in the life cycle.

PRODUCT PORTFOLIO MATRIX

Whilst the product-service life cycle focuses upon growth dynamics, the product portfolio matrix emphasized the market growth (attractiveness) and relative competitive position (strength) of products or services. As information services become more competitive the significance of the product (service) portfolio matrix increases.

The most widely used matrix is that developed by the Boston Consulting Group. Known as the BCG portfolio matrix, it classifies each business unit according to its potential for growth and its relative competitive position. In the information service, work units may be substituted for business units. The BCG matrix classifies products, services or markets into four groups and uses circles, with areas proportional to the sales volumes for each, to give a visual image of an organization's current products. In information services, usage rates could be substituted for sales volumes to provide an image of its current services (see Figure 24.2).

According to the BCG matrix, products that have a high market share and high growth (stars) are roughly self-sufficient in terms of cash flow. They have the highest profit margins. These are the important information products or services and should be expanded if possible. Eventually the 'stars' become 'cash cows' as they reach the maturity stage of the product or service.

'Cash cows' are valuable assets; they have a high share in a low growth market. As products they generate more cash than is necessary to maintain a market position and should be protected at all costs. In information services, 'cash cows' would equate to the established products or services that have a high rate of usage and little competition. 'Cash

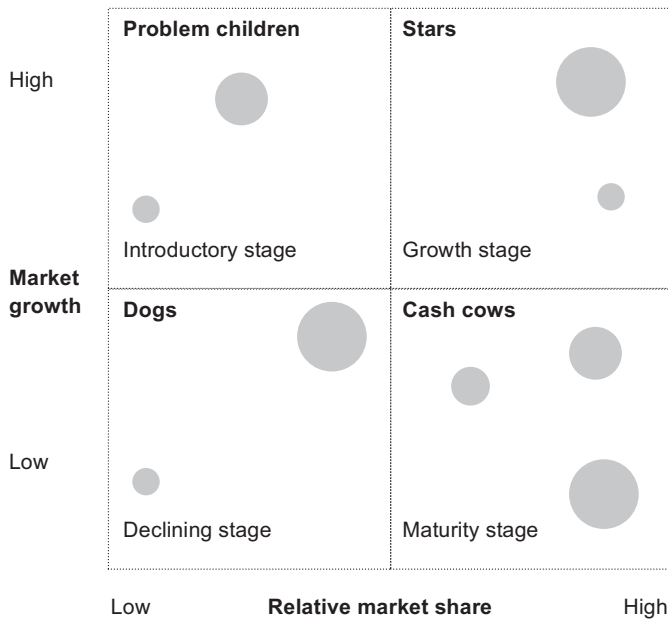


Figure 24.2 The Boston Consulting Group portfolio matrix

cow' services maintain the value image of the information service and help to ensure its continued success and survival.

'Dogs' are products with low market share and slow growth. Their outlook for the future is usually bleak. 'Dogs' in information services comprise the information products or services that are declining in use and can often be superseded by new and better services. Alternatively, they are services that have failed to reach their potential.

'Problem children' are products with high growth potential but low market share. They require large net cash outflows if their market share is to be maintained or increased. If successful these products become the new 'stars' that in the future become 'cash cows'. If unsuccessful they become 'dogs'. In information services, 'problem children' usually equate to new services that require fairly large funding allocations for their establishment and promotion. They may also be services that do not perform well. There can be a variety of reasons for their poor performance; they may have been inadequately managed, or have had inappropriate marketing strategies applied to them.

The information service can determine its information products' and services' use and standing by displaying these on the product portfolio matrix. They should also be linked to the product or service life cycle and its associated marketing and planning strategies.

Whilst the BCG matrix is based on cash flow, which may not be relevant to all information services, it is still useful in that it recognizes that products and services have differential growth rates and emphasizes the relative share of market held by products and services in the same stage of growth.

Diversification and Service Rejuvenation

In addition to responding to radical change in the delivery of services in the global virtual environment, information services can also use diversification and rejuvenation strategies to re-energize some existing services. Immediately evident examples include the introduction

of e-books as part of a public library service and digitizing archival collections. Lazer et al. (1984:21–28) have identified four rejuvenation strategies:

- **Recapturing strategies** – attempts to revive the old market by concentrating on previous and existing customers without modifying the service, for example using promotions that focus attention on existing services.
- **Redesigning strategies** – marketing a modified version of a service that has been declining or has previously been abandoned. The original reasons for customer rejection may no longer prevail and it may be possible to rekindle interest among present customers, such as releasing a classic film in a new format or digitizing collections for ease of use.
- **Recasting strategies** – marketing a modified service to new customers, where the object is to capitalize on existing strengths and experience, although some adjustments to the service and market have to take place.
- **Refocusing strategies** – marketing an abandoned or declining service to new customers, for example marketing an archive or local history collection to a local newspaper for a series of articles on local identities or places of interest. Such a strategy may result in greater usage of the service by the general public.

The information service's decision to rejuvenate or diversify services should be based upon its resource requirements and capabilities. The potential of the rejuvenated or diversified services to contribute to the profile and value of the information service, the cost involved and predicted extended life span on a cost-benefit basis must also be assessed. In selecting the most appropriate strategy, the extent of service modification and degree of marketing effort needed to stimulate demand need to be evaluated.

Competitive Intelligence

Competitive intelligence supports management's role in managing customers, competition and change in order for the information service and its parent organization to remain competitive in its environment. It:

- provides an early warning of developments in the external environment, in particular the industry, technology, economic or legislative change, that could adversely affect the business success of the organization;
- identifies new product, process or collaborative opportunities to create new markets and business opportunities; and
- creates an early understanding of the competitive environment so that surprises can be eliminated or their impact lessened by allowing a longer time and better opportunity to respond.

Competitive intelligence gathering is not spying or undertaking industrial espionage. Good intelligence gathering is based on information that can be obtained from sources through legal and ethical means such as through networking, the continuous monitoring and surveillance of competitor actions for key events or changes, the following of leads, checking of sources and the surfacing of ideas. The art is in knowing what information is relevant, where to find it legally and how to convert it into intelligence for the basis of future management decisions and actions.

Competitive intelligence involves obtaining information about:

- which competitors are vulnerable;
- which competitors are likely to make moves that could endanger the organization's position in the market; and
- the requirements of the competitor's customers.

Breeding (2000) identified several problems that users of competitive intelligence have with the information that they receive from the process. These include shallowness, credibility, timeliness, focus, providers, quantity and information sharing.

Customer Relationship Management

Customer relationship management (CRM) has been variously described as a corporate philosophy, strategy or tool. The objective is to focus on and learn more about customers' needs and behaviours in order to develop stronger relationships with them. It helps organizations use ICT and people's knowledge to gain insight into the behaviours of customers and the value of those customers, and builds on the marketing strategies previously discussed. CRM brings together information about customers, sales, marketing effectiveness, responsiveness and market trends and enables the information service to:

- provide a better customer service;
- enable a better overall customer experience;
- understand how customers define quality;
- identify potential problems quickly, and correct service deficiencies before major problems occur;
- make multi-service channels more efficient;
- introduce and cross-sell information services and products more effectively;
- simplify marketing and service processes;
- discover more customers; and
- increase customer use of information services and products.

To be beneficial, the CRM strategy needs to be thought through, so that it does not result in a flood of unorganized, ad hoc information. It should be given a business rather than an ICT focus. The information service needs to decide the business objective for needing insight into the behaviours of customers and the value of those customers, what kind of customer information is required, where the data and information are captured and stored, and how they will be used. Business objectives might be to improve customer support, to increase service performance or to improve the marketing effectiveness of the information service. The information service should also learn how to use the information to develop and prioritize tailored customer offerings.

Sources of information will be found in all of the multi-service channels – that is, mobiles, websites, portals, shop fronts, call centres and fax services – and include information collected in:

- responses to advertising campaigns;
- transactions data, for example multiple-channel analysis;
- account information;

- customer service and support data, for example service requests, complaints, information returns; and
- demographic data, for example usage habits.

It is important that a complete 360-degree picture of the customer or potential customer is built up, with everyone that interfaces with the customer being trained and confident in adding to, analysing and using the CRM data, as well as understanding its value and use as a business intelligence tool.

Conclusion

Marketing is often mistaken for promotion. Marketing includes consideration of promotion strategies but it is more closely aligned to strategic planning. Marketing strategies ensure viable market positions and programmes that meet the objectives of the parent organization, customer information needs and, ultimately, contribute to the success of the information service.

Marketing strategies and customer relationship management tools enable the information service to prioritize and make informed decisions about the continuation of existing services and proposals for new or extended services. These include the marketing management processes of:

- research
- segmentation, targeting and positioning
- marketing mix
- implementation
- control.

Exchange system analysis and competitive portfolio analysis are other tools that can be used to make informed decisions about service delivery. The bottom line considerations in the marketing decision-making process are the business fit, customer needs and long-term sustainability. Any proposals for new services or extending existing services to new markets must be in line with the information service's objectives. Sufficient expertise and human, technical and financial resources should be available to support such services.

Finally, if the three concurrent goals of marketing – customer satisfaction, market domination and increased profitability – are to be achieved, there has to be extensive organizational knowledge about competitors and customers. The use of competitive intelligence and customer relationship management software tools are two ways of achieving this.

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Corporate Image and Communications

The management of the information service's corporate image and how it delivers and sells its message about its value and contribution to stakeholders is extremely important. For if the perceptions of the information service differ from reality then:

- the quality and value of the information service may be underestimated;
- the information service may be missing part of its market share; and
- the wrong impression of the service could be projected.

Image analysis is closely related to the marketing issues discussed in the previous chapter. It assists in determining the information service's image to stakeholders such as sponsors, funding and governing bodies, and its customers. It also includes taking into account the image being portrayed in the market place and market space, for example through the information service's Facebook page. As a result of the image analysis certain market strategies may need to be undertaken. In addition, creating the right understanding of the value of the information service and managing communication with the external environment are as important as managing communication internally, as these are the essential mechanisms of projecting and maintaining the importance and benefit of the organization in the eyes of key stakeholders.

Corporate communication is a two-way process. It involves:

- the capacity to understand the environment and market needs in which the information service operates, and to understand what is important to stakeholders and to respond to their different needs and expectations, as well as to gain their input on services through consultation and engagement; and
- the need to promote and celebrate the achievements of the information service, to raise awareness and understanding of the role and responsibilities, implications and benefits of its activities, and to gain key stakeholders' commitment.

A communications plan provides a broad overview and identifies key initiatives for effective communication with stakeholders that includes listening and understanding stakeholder needs.

Stakeholder Analysis

Stakeholder analysis enables the information service to target its two-way communications to the right people. It ensures that the essential people are being listened to and that accurate messages are delivered to the appropriate people as part of the communications plan.

Stakeholders include:

- people who are important for championing the priorities of the information service;
- people important for securing commitment, funding and endorsement for its projects;
- people likely to be directly affected, such as suppliers and customers;
- potential customers and employees;
- collaborators;
- internal staff and management of the information service; and
- other service providers in the sector.

Stakeholders can be further categorized into:

- partners (with whom active partnering, joint promotion and close co-operation are required);
- salient external stakeholders such as suppliers;
- secondary intermediaries / influencers such as the media;
- the corporate or local community for whom the information service provides services; and
- internal stakeholders including staff and the governing body.

Communications Plan

A communications plan is used to strategically plan and manage communications with key stakeholders. It has four objectives:

- increase credibility, awareness and understanding of the roles, responsibilities and activities of the organization;
- increase awareness and understanding within the organization and its governing body of the different needs and expectations of stakeholders and what is important to them;
- strengthen consultation and engagement with key stakeholders to ensure that the organization is valued and adds value; and
- promote and celebrate the achievements of the organization.

Figure 25.1 outlines the objectives in terms of awareness and understanding, consultation and engagement, and promotion and celebration.

The communications plan outlines the stakeholders, key communications messages and desired channel for conveying messages. Table 25.1 provides an extract of a communications plan for a new 24-hour global e-service centre.

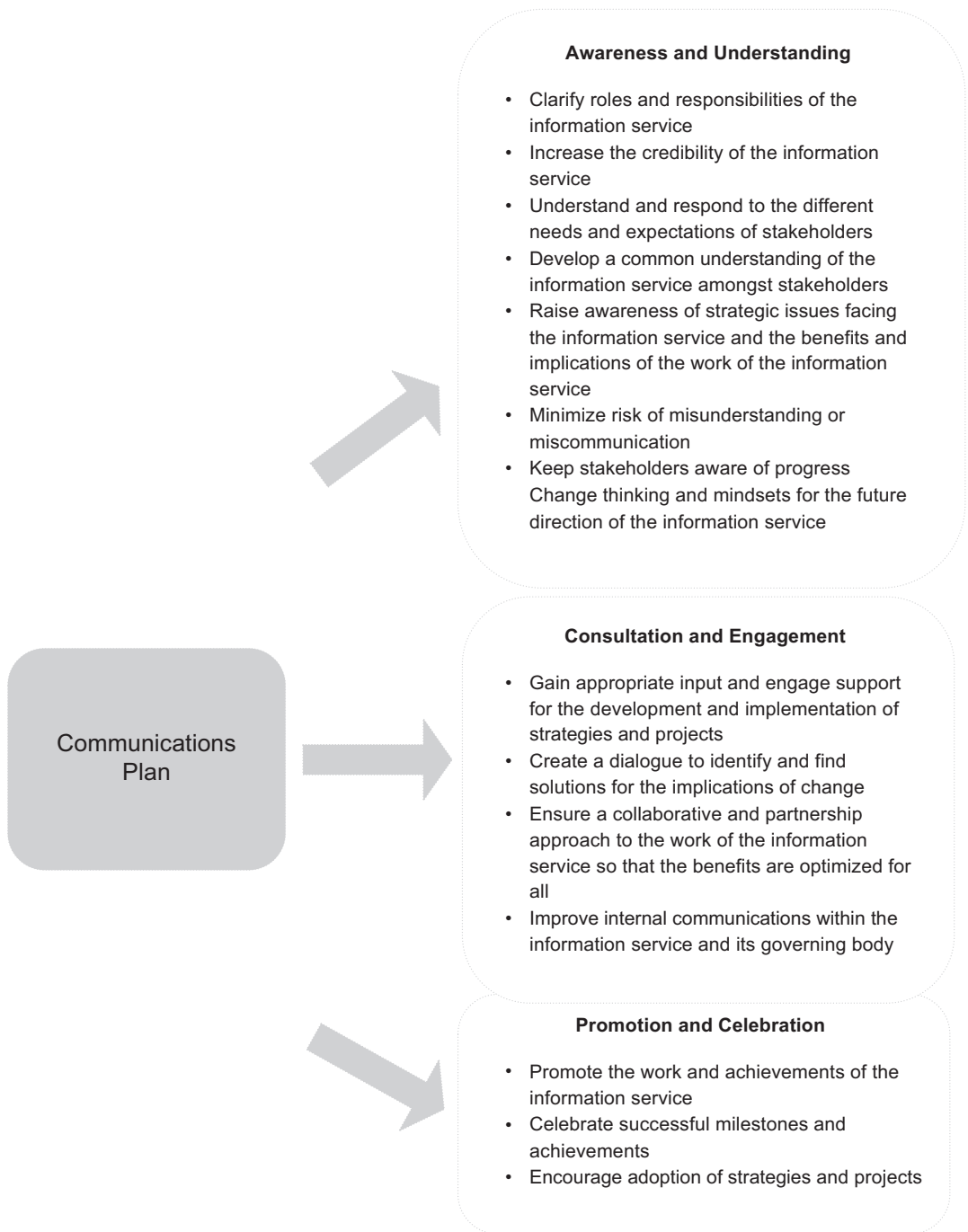


Figure 25.1 Objectives of a communications plan

Table 25.1 Extract of a communications plan to introduce a 24-hour global e-service centre

Stakeholder	Key communication message	Communication channels and tools
Local community	<p>Raise awareness of the new 24-hour global service and how it operates.</p> <p>Manage different expectations of the 24-hour global service centre.</p> <p>Develop a common understanding of its e-service offerings.</p> <p>Encourage input, buy-in and commitment to the new e-service.</p>	<p>Consultation and engagement with community in e-service design.</p> <p>Presentations on the centre's new focus, objectives and priorities.</p> <p>One-on-one dialogue between staff and customers.</p> <p>Media releases and television coverage.</p> <p>eNewsletter and brochures.</p> <p>Facebook, Web presence, blogs, emails and SMS.</p> <p>Telephone 'on-hold' messages.</p>
Private sector sponsor of services	<p>Raise awareness of the economic and social value of the 24-hour e-service.</p> <p>Emphasize the value of the sponsorship and synergy of sponsor's aims and objectives with those of the 24-hour service centre.</p> <p>Seek out further opportunities for leveraging sponsorship and collaboration in projects.</p>	<p>Regular briefings and one-on-one meetings with sponsor.</p> <p>Facebook, Web presence.</p> <p>Invitations to promotional events.</p>
Governing body	<p>Raise awareness of the new focus and role, objectives and priorities.</p> <p>Promote the economic and social value of the new e-service.</p> <p>Encourage input, buy-in and commitment to the e-service.</p> <p>Advocate for the strategic issues associated with the e-service.</p>	<p>Regular briefings and one-on-one meetings.</p> <p>Conversations with individual members.</p> <p>Invitations to promotional events.</p> <p>Briefing sheets.</p> <p>Facebook, eNewsletter.</p>
Media	<p>Raise awareness of focus and role, objectives and priorities of the new 24-hour service.</p> <p>Promote its importance to the community.</p> <p>Increase the profile and promote the brand image of the e-service.</p>	<p>Targeted articles in local media.</p> <p>Targeted messages when contacted by media.</p> <p>Regular editorial pieces.</p> <p>Media kit including key governing body and staff profiles, images, calendar of initiatives.</p> <p>Briefing sheets, media releases.</p> <p>Facebook, eNewsletter.</p>

Corporate Reputation and Image

CORPORATE REPUTATION

Corporate reputation is an intangible asset that is built on trust, respect and credibility assigned by stakeholders. It is based on the organization's past actions and creates value for stakeholders. Whilst accounting standards assign no monetary value, corporate reputation

has immense value to the status, standing and market value of the organization. It is a source of competitive advantage and, where protected, can significantly add to the financial and market performance of an organization. Conversely any damage to corporate reputation can severely affect the organization's value, and its financial and market outcomes.

Corporate reputation is also a significant resource attractor. As well as fostering loyalty and trust among customers, shareholders and investors, it is a significant differentiator in the labour market. Organizations that have good corporate reputations are better able to attract and retain talented and creative people.

Siano et al. (2010:73) have identified how an organization's unsatisfactory management of reputational risk can cause the loss of stakeholders' trust and loyalty resulting in negative impacts for the organization:

- customers – loss of market share, sales revenue, and/or customer loyalty (market risk) and the prevention of a premium price;
- employees – loss of key human resources and the restriction of talent recruitment (human capital risks);
- suppliers – deterioration of services and invoice conditions (for example deferred payments) offered by the supplier (contractual risk);
- investors – difficulty in securing capital loans, increase in capital costs, reduction of share price (credit/financing risk); and
- partners – loss of business opportunities and operational process management improvements, due to the opposition to partnerships (agreements and alliances), mergers and acquisitions.

It is therefore important to protect corporate reputation by reducing the probability of events that could be a significant cause of reputational risk and, through crisis communications, minimizing the potential harm caused to reputation.

IMAGE ANALYSIS

Image studies measure the perceptions that people hold about an information service. They determine what people respond to, which may not necessarily be the same as what the information service really does. All information services need a positive image in order to attract funds, talented people and clients. However, the image differs according to particular groups, their main interests and the way in which they perceive the services offered. For example, senior management may view an information service according to the strategic benefits to the organization and its return on investment, which may be different to the view held by clients who are the recipients of the services.

The information service's customers and stakeholders can have multiple attitudes, some of which will be positive, whilst others may be negative. There may also be a different image being projected in the traditional market place to that of the market space. Different sectors of the information service's community or target audience should be surveyed in order to determine its image and profile in terms of service provision. This includes surveying stakeholders, clients and non-clients regarding their attitudes and awareness, interest and desires in an effort to ascertain a spectrum of responses within each dimension. This can be done by asking simple questions about familiarity with services and how favourably the services are received. The survey questionnaire should indicate the sector of the target audience to which the respondent belongs so that an analysis can be made of the views of different client groups. The responses can then be plotted on an image matrix.

<p>Favourable attitude</p> <p>Attitude towards the service</p>	<p>B</p> <p>Good position but awareness of service is low</p> <p>Information service needs to promote its activities</p>	<p>A</p> <p>Good position</p> <p>Information service should maintain current position</p>	
	<p>D</p> <p>Bad position</p> <p>Information service needs to rebuild its image and increase its profile</p>	<p>C</p> <p>Bad position</p> <p>Information service needs to rebuild its image and correct its profile</p>	
<p>Unfavourable attitude</p>	<p>Low level of familiarity</p>	<p>Familiarity with information service</p>	<p>High level of familiarity</p>

Figure 25.2 Matrix graph of information service’s image

In the image matrix (Figure 25.2) quadrants B, C and D indicate the need for some development in the information service’s image about the services offered. To create this, the information services manager needs to have a mental picture of what the image should be. This should be based on the strategic direction of the information service. This is then compared with the existing image of the information service. The image gap is the difference between the desired and actual images.

It may not be necessary to target all sectors of the target audience in trying to change the information service’s image. The matrix graph identifies both those groups most in need of targeting and those groups for whom the information service’s current image should be maintained in its present position. Changes in image may be to make the information service appear to be more efficient or relevant to corporate objectives, or more responsive to certain customer sectors. Alternatively, a sector of the client base may have unrealistic expectations of the types of services that should be offered. In which case this sector requires re-educating about the services that can be realistically delivered within the operational and budgetary framework. The reality-expectations gap is the difference between the level of an adequate service and the level of a service to meet real expectations.

Projecting the corporate image

An important aspect of the boundary-spanning role of the information services manager is to manage and project the corporate image. The corporate image is the set of beliefs, ideas and impressions that individuals have about an organization. Managing and projecting the corporate image comprises the following activities: identifying the target audience, determining the communication objectives, designing the message for both the market place and the market space, selecting the communication channels, allocating the budget, managing the process and measuring the results.

Target audience

The target audience consists of the people or organizations towards which the information service needs to project a favourable image. This is with the objective of building an awareness of the services provided and increasing market share, ensuring the continuation of funds or simply communicating the image of a valued and quality service. The target audience for the information service can include all or any of the following: current and prospective customers, senior management in the parent organization, other information services, suppliers, professional bodies and other stakeholders.

Determining the communication objectives

Having identified the target audience, it is important to establish how familiar the target audience is with all aspects of the information service as well as the value they place on it and the benefits they perceive arise out of it. This provides information for the image gap analysis, that is, the difference between the desired image that the information service wishes to project and the current image that it is projecting. It also identifies the gap between the target audience's awareness of the information services offered and those provided, and their perception of the quality of the information service as compared with that provided.

The next stage is to determine the required audience response in relation to the results of the image gap analysis. This may be to change the customers' attitude to the information service, to alert customers to services that could fill latent needs, to provide a better understanding of the benefits and opportunities presented by the information service, or to engender the understanding and support of senior management and other stakeholders to ensure that the information service continues to receive adequate financial support and conviction.

Designing the message and selecting the communication channels

The aim is to design a positive message about the benefits and service offerings of the information service. There are many different messages and communication channels that can be used, including:

- Facebook, Web presence, social networking tools and other electronic media such as blogs, television, email or SMS messaging to those who wish to opt in to the service;
- personal communication, for example word of mouth recommendations, personal representation;
- print, for example a brochure or strategy report;
- oral, for example a description of the services that the information service offers being played whilst a person is 'on hold' on the telephone;
- multimedia or video presentation aimed at a particular audience; or
- advertisement in the local press or public area.

The choice and mix of the messages and communication channels will depend upon the purpose of the message and the target audience in both the market place and market space. Increasingly the need is towards an integrated approach to delivering the message across all communication channels, rather than planning the use of each communication channel separately. Figure 25.3 provides examples of how different communications messages and channels can be used to support the objectives of the communications plan.

		Advocacy/ Cooperation
		Joint planning forums
	Support/ Involvement	Collaborative decision making
Awareness/ Understanding	One on one discussions	Focused dialogue
	Blogs	Word of mouth
Seminars	Promotion and sponsorship	Active partnering
Presentations	Consultation	
Static and media displays	Forums	
e-Newsletters and brochures	Reference groups	
Television	Consultative committees	
Annual Report		
Strategic Plan		
Web presence		
Blogs		
Email and SMS		
Telephone 'on-hold' messages		

Figure 25.3 Examples of communications channels and tools that can be used to support the objectives of the communications plan

In addition to the above, the physical surroundings of the information service will also create an atmosphere or image. The choice of colours, type of office furniture, wall decorations, floor coverings and spaciousness of the surroundings will communicate an image about the information service.

The house style of the information service’s reports, PowerPoint presentations and stationery also communicate a corporate image. The house style should be carried over to and included in any multimedia presentations and other information published in electronic form.

The way in which information service staff interact with customers and stakeholders will also project an image of the information service. The image conveyed should be friendly, welcoming and helpful, although in some environments a more formal approach may be necessary. Interaction includes the way in which individuals answer the telephone, and the articulation and wording of the greeting on the telephone answering machine. If music (rather than information about the information service) is used for the ‘on hold’ interval whilst people are waiting on the telephone, the choice of music will influence the person’s perception of the information service.

Allocating the budget

Not all of the strategies for managing and promoting the information service’s image cost money. A proportion of the image promotion rests with the information services manager and their staff projecting a positive image and ‘selling’ the service in their interaction with customers, senior management and other stakeholders. Budget allocation for the more formal mechanisms of promoting the information service’s image should be based upon the specific objectives, the tasks to be performed to achieve the objectives, and the costs of performing the tasks.

Managing the process

The wide range of communication tools and messages make it imperative that these be coordinated to ensure consistency. Coordination is also required to ensure that the correct message is sent through the correct medium and communication channel to reach the correct target audience.

Measuring results

To measure the results of the promotion, the information services manager will require feedback from the target audience. This will involve talking to or surveying the target audience about how they feel about the service, what level of awareness they have of the information service, and any other information that provides feedback on the communication objective.

Branding

Branding is associated with image building and service recognition, market positioning and creating a value proposition. A strong and well respected brand increases the trust a person has in purchasing a service; likewise a strong following on social media such as 'likes' on Facebook will also increase trust and service profile. Customer satisfaction with the service further builds trust, a key component of a valuable brand, which in turn supports innovation. Innovative offerings further strengthen the brand, which then incites customers to try the new e-service offerings. Kotler (1999:55) identifies the main steps in developing a strong brand:

- develop the value proposition – by choosing a broad positioning, specific positioning, value positioning, or the total value proposition for the product or e-service; and
- build the brand – by choosing a brand name, developing rich associations and promises for the brand name, and manage all the customers' brand contacts so that they meet or exceed the customers' expectations associated with the brand.

Kotler (1999:58) identifies sources for positioning that can be used:

- attribute positioning – using a special feature such as national library or archive service, or a website dedicated to a specific purpose or campaign;
- benefits positioning – offering a specific benefit such as extended opening hours;
- use/application positioning – the product or service is positioned as the best in a certain application such as a national collection of indigenous art, culture, literature and so on;
- user positioning – the product or service is positioned in terms of a target user group such as a specific information service to scientists or a patient care information system for health professionals;
- competitor positioning – the product or service suggests its superiority or difference from a competitor's product such as 'service is our strength' or 'the emotionally intelligent organization'; and
- quality/price positioning – the product or service is positioned at a certain quality and price level such as free lending services in public libraries.

Walton (2008) expands on Kotler's views on developing a brand as per the following steps:

- establish which customers are to be targeted by the brand and develop an understanding of their needs and values;
- explore the competition to the service/product and identify what customers value from the competition; monitor competitor's progress and developments;
- design a compelling brand that encompasses all activities;
- achieve employees' buy in to the brand and give them the skills, tools and support to deliver the customer experience promised by the brand;
- measure and monitor how the brand is received and how it is delivered; and
- show a level of patience, react to competitors and further develop the brand informed by effective evaluation.

In addition to the above Walton (2008) points out that there will have to be 100 per cent commitment to the brand from all library staff if it is to succeed. A real danger exists that if the brand does not touch the entire library it will not achieve what is intended.

In recent years information services have sought to rebrand their service in line with changes to online e-service delivery so that current and potential users have a better understanding of their role and function in the virtual and global world. Rebranding is tied to marketing in that product and service rejuvenation, renewal, reinvention and repositioning are all interlinked. It is concerned with moving an existing service to a new position in the customer's eyes.

Brands are also linked to quality. If a person associates a brand with quality they are more likely to return to the service that the brand represents. In turn, an effective brand will demonstrate the value of the service to a prospective user in the market place or market space.

Brand names carry associations. Kotler (1999:64) indicates that they should:

- suggest something about the product or service's benefits;
- suggest product or service qualities such as action or colour;
- be easy to pronounce, recognize and remember;
- be distinctive; and
- not carry poor meanings in other countries, languages and cultures.

Kotler (1999:65) also indicates that brand names should communicate meaning in order to build a rich set of associations for the brand. These can include:

- the ability to trigger in the customer's mind certain attributes or qualities;
- the suggestion of benefits, not just features;
- the connotation of values that the organization holds dear;
- exhibiting personality traits; and
- suggestions of the kinds of people who may buy or use the brand.

Brands can be strengthened or projected through the use of a symbol, slogan or colour.

Using Web 3.0 and 4.0 Tools for Effective Communications

Web 3.0 and 4.0 tools are increasingly viewed as effective tools for both internal and external communications. Internally these tools are used for purposes of team building, product development and communicating across widely dispersed workgroups. Externally,

consumers use the Internet and social networking tools to obtain and share their views on product and service experiences online. Deciding whether to pursue an internal or external approach, or a hybrid model, is a business decision based on what best meets the organization's requirements.

With respect to internal use, Barnes and Barnes (2009) have made the following recommendations for social networking sites that are designed internally for an organization's business use:

- Logo – use of the logo on a site signifies an organization's brand and reputation. It is important to develop a policy regarding how logos should be used.
- Disclaimers – each site should carry a disclosure that states that the views of the individuals using the site are not the views of the organization.
- Anonymity – transparency is an effective way of fostering appropriate online behaviour and helps deter abuse. As such a community of creativity, shared knowledge and expertise should be cultivated and anonymity not be encouraged. Misuse of the site by posting inappropriate content should not be tolerated. In circumstances where the site is to be used to address sensitive subjects then a special area for anonymous postings should be established.
- Single sign on – by using a single sign-on directory infrastructure for employees' site access a unique profile can be created that offers a level of security that can be customized to an individual's position and role in the organization.
- Conditions for use of the site – terms and conditions for the use of the site should be posted on the site, a moderator should be engaged, and personal attacks (cyber bullying), falsehoods and inaccuracies should be disallowed.
- Intellectual property and copyright – these should be observed.
- Privacy – user privacy should be respected and a privacy policy posted to the site.
- Guide – a guide that incorporates all aspects of the use of the site should be created and posted to the site.
- Training materials – training materials and other opportunities for individuals to educate themselves on the appropriate use of the site should be offered.

The external use of Web 3.0 and 4.0 tools presents both opportunities and potential threats, which managed correctly can be turned to competitive advantage. To help companies make the most of these tools in their communications with their customers, Hoffman (2009) cites the LEAD (listen, experiment, apply, develop) roadmap that has been developed by the Sloan Centre for Internet Retailing. It encourages organizations to:

- Listen – having formal processes to monitor and analyse what customers are saying about it online and then use this information as an early warning system. Companies should also assume that the digital environment will change rapidly – so they must adapt accordingly. Rather than pushing messages at consumers, marketers should listen to them and think constantly about new ways to engage with them actively.
- Experiment – don't just monitor social media – engage customers using Web 3.0, 4.0 and beyond tools. By using simple pilots such as creating an organizational profile on social networking sites, greater customer awareness and brand engagement can be achieved.
- Apply – apply the lessons learnt in the simple pilots. Optimize the organization's website so that it connects fluidly with online communities and social media sites. Make it simple for customers to link to you and tag your content, and find ways to make your site more relevant in social networking searches.

- Develop – Web tools should be a crucial part of an organization's marketing mix. It is critical that these be integrated into marketing programmes and managed as more than just another advertising channel.

Utilizing Web 3.0 and 4.0 tools for greater competitive advantage requires a different mindset – one that is much more in tune with listening to what customers are saying rather than pushing a marketing message. Leigh (2009:18) outlines how strategic listening allows the organization to keep in touch with current trends and sudden shifts in the organization's environment:

- what customers say about us;
- which channels customers use to reach us;
- what our customers are doing today;
- the basis of our competitive advantage;
- the skills or capabilities that make us unique; and
- decisions or problems that affect our own areas of responsibility.

Crisis Management and Communications

Changes in communications processes and structures as the result of Web and social media are a double-edged sword. On the one hand they have a pivotal role in the online monitoring and dissemination of information in times of a crisis, but on the other they can also create a crisis by increasing corporate exposure to the world. When a major crisis hits an organization, news of the disaster is communicated instantaneously and globally through Twitter and other social media applications. There is a certain amount of loss of control over communications as details of the crisis, both correct and incorrect, are spread through social networking channels and instant messaging with an immediate effect on the reputation of the organization.

Whilst news in traditional media is usually covered by professional journalists and in most times handled with relative objectivity, this may not be the case with citizen journalism. Mei et al. (2010:145) outline four major Internet crises that have been developed by Hulse and Hoewner (1998) and which present situations that need to be managed by organizations:

- Reinforcing crisis – the Internet and other social media is used in addition to traditional media as a communications channel to present stakeholder opinions.
- Absurd crisis – this emerges from the Internet's and other social media's uncontrollable and diverse content which can result in absurd theories and opinions circulating online.
- Affecting crisis – this occurs when organizations are critically virtually scrutinized by stakeholders and become the subject of public discussion with negative impact.
- Competence crisis – this is characterized by a difference in competencies between the aggressor (stakeholder) and defender (organization). For example online experts that have the capability to damage an organization despite possessing limited resources.

In these situations an immediate response is of the essence and there is little time to produce and manage the required communications strategy. Consequently a tried and tested crisis management plan and a crisis communications plan that includes communications protocols for communicating with those affected and dealing with stakeholders and the media is needed. The crisis communications plan should include responses to a variety of potential circumstances that have been identified by the risk management process.

Forums and online discussions are an important part of the Internet, which bring people together on a common platform and help them exchange information, building social capital along the way. Citizen journalism also offers more choices in determining news sources and individuals now have multiple avenues to air their views. Organizations must now be prepared to harness the new media and be as transparent and accessible as possible on all media channels in order to retain stakeholder confidence and trust. They should also engage in active online news monitoring and environmental scanning.

Other Corporate Communications

ANNUAL REPORTS

At the end of the calendar or financial year, managers are often required to produce an annual report for the information service or provide copy for the parent organization's annual report. Sometimes they need to do both. The annual report serves several purposes. It is used:

- as a governance tool to provide an account of the information service's activities for the year, and its achievements, and to account for the use of resources;
- to achieve a better understanding of the value, issues, benefits and opportunities presented by the information service;
- as a source of information about the information service. It may contain information about key managerial positions, holders of such positions and their qualifications, an organizational chart, mission statement and corporate objectives;
- as a source of information for benchmarking or comparative purposes, as it often contains statistical data;
- to highlight current and future issues or problems that prevent the information service from carrying out all of its activities;
- to reconcile the use of funds, staff and so on (inputs) against activities (outputs); and
- to measure the organization's level of performance.

Annual reports are posted to the Internet and are therefore available to other related organizations. The format, design and presentation of the report, either electronically or as hard copy, are powerful mechanisms to project the information service's image. It will send a message about the organization's culture and its willingness to make an impressionable image on stakeholders. For example, some organizations' annual reports are flamboyant or sophisticated and considerable prestige is attached to their contents and format. Others are very formal. Some are very plain as they are only seen as an operational requirement to report on activities once a year.

SUBMISSIONS TO OUTSIDE BODIES

Managers and in-house specialists may also draft submissions to government bodies and other organizations relating to external issues. These submissions can be either reactive to external impacts on their services or functions, or proactive in terms of positioning the information service or its parent organization in the external environment. Examples are a submission on the implications of proposed changes to copyright legislation or a submission that suggests new ways of providing electronic services to the community.

The information services manager, or their staff, will usually draft the submission on behalf of the parent organization. In this case, the submission may need to be ratified by senior management before being forwarded to the appropriate body.

Conclusion

Managing the corporate image of the information service is a vital leadership role, as perceptions of service availability and delivery are as important as reality. The ability to communicate the desired message and obtain information from the external environment is of equal importance to the ability to communicate and obtain information within the organization.

Corporate communication is a two-way process. It involves:

- the capacity to understand the environment and stakeholders' needs, as well as to gain input on services through consultation and engagement; and
- promotion and celebration of the role, responsibilities and achievements of the information service in order to increase awareness and gain key stakeholders' commitment.

Stakeholder analysis enables the information service to target its two-way communications to the right people. It ensures that the essential people are being listened to and that accurate messages are delivered to the appropriate people as part of the communications plan. The communications plan outlines the stakeholders, key communications messages and desired channel for conveying messages.

Image studies assist in identifying and managing perceptions of stakeholders. They measure the perceptions that people hold about an information service. They determine what people respond to. All information services need a positive image in order to attract funds, talented people and clients. However, the truth is that the information service's customers and stakeholders may have both positive and negative images of the service. The reality-expectations gap is the difference between the level of an adequate service and the level of a service to meet real expectations.

The corporate image is the set of beliefs, ideas and impressions that individuals have about an organization. Managing and projecting the corporate image comprises the following activities: identifying the target audience, determining the communication objectives, designing the message for both the market place and the market space, selecting the communication channels, allocating the budget, managing the process and measuring the results.

Branding is associated with image building, market positioning and creating a value proposition. As brand images create association, brand names should communicate meaning in order to build a rich set of associations for the brand.

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Ensuring Service Quality

Service quality in the design and delivery of the service or product is an excellent way to differentiate an organization's offerings, sustain its long-term longevity and competitively position it as a leader in both the market place and market space. However, design and delivery are only part of the equation. Ensuring that the service support programmes encourage the continual use of the service or product is of equal importance, particularly in relation to customer retention. Maintaining market position is also essential and the information service should consistently offer high-quality, customer-focused services or products that meet current and emerging needs as well as presenting choices in the delivery of these services or products through a multi-channel approach. The emphasis in all of the above being on the customer, rather than on the products or services.

Information services are in the business of delivering services to customers who are already exposed to retail and business experiences that offer seamless, ongoing and personalized interactions in an always on, anywhere, anytime world. These retail and business experiences increase the expectations of what can be delivered. Web 3.0 and 4.0 tools have extended the market place to the market space where e-products and e-services are instantaneously and globally sourced and marketed, information sought and obtained, and corporate reputations enhanced and destroyed. Rowley (2012:86) points out that in this context the customer does not interact with a person face-to-face, or experience the physical surroundings of a library building. Rather all interactions are virtual and facilitated through a computer screen.

An important component of quality is to get the steps in the value chain right – first time, every time. If any part of the process falls down, then the remaining processes in the value chain will build upon an inferior product or service. Differentiation at the end of the value chain can be what distinguishes one product or service from another in terms of quality.

Customer expectations and perceptions of quality often vary as this is based upon an individual judgement, so the manager must understand both their customer needs and perceptions of quality. There are also cultural and generation differences in customer expectations and perceptions of quality, which impact on the service delivery. Gaps in service delivery can influence the perception of the level of quality offered in products or services. Customers also judge quality according to certain determinants of service quality.

The bottom line of the customer-focused approach is valuing the customer. This service philosophy is reinforced through management fostering a culture that is service driven and oriented to customer needs. It is incumbent on senior management demonstrating a commitment to quality by making it a self-sustaining way of life within the organization.

Customer Relationships and Meeting Customer Expectations and Perceptions

To be in tune with customer needs and what they value in terms of choice and type of service requires the ability to form relationships with and listen to customers, to identify their requirements, and to suggest improvements for current information products and services. Increasingly organizations are using social media to establish customer relationships and listen to their customer feedback. However, Piercy (1999) states that marketers and managers still need to segment their markets and understand the needs of these different segments, as not all customers want a relationship with their suppliers. He proposes four different categories of customers, based on the relationships that they wish to form with the supplier:

- relationship seekers – customers who want a close and long-term relationship with suppliers;
- relationship exploiters – customers who will take every free service on offer but will still move their business when they feel like it;
- loyal buyers – customers who will give long-term loyalty, but do not want a close relationship;
- arm's-length, transaction buyers – customers who avoid close relationships and move business based on price, technical specification or innovation.

Maintaining a total service focus in meeting the needs of the customer is also important in creating a win-win situation. The total service focus makes it easier and more efficient for customers as they have to deal with fewer organizations; it also lessens the interface between competitive entities and the customer, resulting in a significant business advantage to the service provider.

MEETING EXPECTATIONS OF QUALITY

Customer expectations and perceptions of quality often vary as this is based upon an individual judgement. Quality control is an internal process management issue, being an important part of the value chain. However, it is judged externally by customers and stakeholders who only see the outputs or outcomes of the internal processes. In information services service quality is often measured by high take-up, satisfactions levels, degree of accountability and choice, ease of finding information and responsiveness. From the perspective of the customer quality can be judged in terms of:

- responsiveness and timeliness of service delivery – in responding to requests for information, files, helpdesk queries or the ordering and supply of new equipment;
- a well-designed product or e-service – that fits the purpose for use and is superior to others in the market place and market space;
- a product that does not break down or a service that is not suspended and which is easy to use;
- convenience and accessibility of services;
- the customer's experience in relation to the physical or virtual environment;
- pricing and value for money; and
- courteous, knowledgeable and accurate staff who know their products and services.

Expectations and perceptions of quality can also differ from a cultural viewpoint. For example in:

- Germany, the dominant element of quality is an acceptance of standards;
- Japan, quality is measured through the pursuit of perfection;
- France, quality is viewed as luxury;
- United States of America, quality means 'it works'; and
- Australia, quality is found in the relationship between the customer and the provider of the product or service.

As a consequence, the delivery of information services may subtly differ between countries in the quest for a quality service or information product. This has implications when designing a global 24-hour e-service that utilizes partners sourced from different points of the globe.

Parasuraman et al. (1985) have developed a service-quality model that highlights the main requirements for delivering the expected service quality. The model identifies five gaps that cause unsuccessful service delivery:

- The gap between customer expectation and management perception. Management does not always perceive correctly what customers want or how customers judge the service components.
- The gap between management perception and service quality specification. Management might not set quality standards or very clear ones. They might be clear but unrealistic, or they might be clear and realistic but management might not be fully committed to enforcing this quality level.
- The gap between service quality specifications and service delivery. This includes factors such as poorly trained or under-resourced staff, low morale, equipment breakdown or drives for efficiency at the expense of customer satisfaction.
- The gap between service delivery and external communications. Through advertising or promotions, customer expectations may be driven to a higher level of service delivery than can actually be delivered.
- The gap between the perceived service and expected service. This gap results when one or more of the previous gaps occurs.

Parasuraman et al. (1985) have also developed a list of the main determinants of service quality. These include:

- access – the service is easy to obtain in convenient locations at convenient times with little waiting;
- communication – the service is described accurately in the customer's language;
- competence – the employees possess the required skill and knowledge;
- courtesy – the employees are friendly, respectful and considerate;
- credibility – the organization and employees are trustworthy and have the customer's best interests at heart;
- reliability – the service is performed with consistency and accuracy;
- responsiveness – the employees respond quickly and creatively to customers' requests and problems;
- security – the service is free from danger, risk or doubt;
- tangibles – the service tangibles correctly project the service quality; and
- understanding or knowing the customer – the employees make an effort to understand the customer's needs and provide individual attention.

Table 26.1 Differences in service delivery focus between traditional organizations and customer-focused organizations

Service delivery focus	Traditional organizations	Customer-focused organizations
Customer	Invisible	Core
Organization	Silo	Networked
Prioritization	Arm's length	Interdependent
Services	Silo, specific	Seamless, customer-focused
Channels	Discrete	Optimized
Technologies	Interdependent	Inter-operable
Access experience	Channel specific	Consistent across channels
Service delivery collaboration	Silo and independent	Global, networked and ubiquitous

Whilst these determinants are fundamental to good service delivery, ICT has increased customer expectations for customized and seamless service delivery. Table 26.1 illustrates the differences in customer orientation and service delivery between traditional-thinking organizations and organizations that successfully embrace a customer-focused approach to meet a highly competitive environment.

MEETING EXPECTATIONS OF CHOICE

Customers of information services vary, which is why having choices in service delivery is important. For example, the customers of a public library will be a cross-section of people who vary in age, interests, lifestyle and take-up of electronic media. They may include local business entities, schoolchildren and tertiary students, the aged and those whose primary language is not English. The staff and elected members of the local authority may also be customers of the library. To meet these divergent interests, multiple services and choices in delivery channels will be necessary.

The primary customers of an information service in a small entrepreneurial organization will be the management and employees of the organization. The information service will manage the information systems, keep the corporate records and deliver research services in such a manner so as to assist the management and employees maintain the parent organization's competitiveness. Increasingly this will mean providing remote access to these services. A secondary role may be to manage the online dissemination of information about the organization's products to the external customers of the entrepreneurial organization. Immediacy and creativity in service delivery will be important for the service to be responsive to the young and innovative corporate environment.

Ensuring service quality based on expectations of choice requires considerations of customer:

- reach – numbers of people to be served and location, geographic dispersement, reliability and ease of access to technology;
- demographics – language and cultural differences, and stage of life that may influence the design and numbers of service channels offered;
- frequency of interactions – average size and duration of interaction;
- expectations – convenience and speed, customer habits, preferred mode of interaction; and

- skills and capabilities – familiarity with services, ability to learn new ways of accessing e-services, need for personal support and advice.

MEETING EXPECTATIONS OF NEED

Within the market place and market space there are at least five generations of customers with distinct preferences and approaches to learning, acquiring and using information. Libraries and information services must tailor services and service delivery channels to appeal to the needs of each generation. This means designing a range of services that offer flexibility and choice. To do so requires a knowledge of how people with different needs communicate and use different channels, with the view to designing the channels to meet the preferred means of communication.

Designing a Multi-Channel Service

In acknowledgment of the diversity of customer demographics, expectations and needs, organizations use a multi-channel approach to service delivery. ICT offers opportunities to offer quality and customized services to customers through a channel of their choice, for example over the counter, over the phone (mobile or fixed), through websites and social media channels. However, whilst potential savings in operational costs in the introduction of computer-generated solutions are appealing, these need to be countered with the reality that demand for these services and customer expectations in terms of response times and ability to solve the problem is also increasing. Table 26.2 explains how different needs and activities can be met through various channel types.

Smart phones and tablets using Web 3.0 and 4.0 and social media applications are often the only means of communication for many people. This always on, instantaneous, anywhere, anytime environment has implications for designing e-services in the small screen environment, including the level of responsiveness to enquiries and other people's opinions. For example, whilst email conventions consider a 24-hour response time as acceptable practice, short messaging service (SMS) conventions have expectations of an immediate response. Social media further moves this shortened timeframe into an even more complex environment as it invites universal and unsolicited comments and opinions on quality of services and customer expectations in a virtual environment.

Designing and implementing a multi-channel strategy is quite complex, so it is essential to have an effective change management plan to engage stakeholders and drive long-term

Table 26.2 Meeting needs and activities through different channel types

Need	Activity	Channel type
I just want to do it	Transactions, order, renew, access information and opinions	Web services, mobile, email, social networking applications, SMS, online transactions, Web chat services
How do I do it?	Immediate assistance, quick answers	Social networking applications, call centres, Web chat services, frequently asked questions (FAQs), Web services, mobile
Relate to me	In-depth discussion, knowledgeable advice	Over the counter service, Web chat services, phone calls

Table 26.3 Channel types and their attributes

Channel service types	Attributes
On the move – Web 3.0, 4.0 and beyond applications, SMS, MMS delivering video and graphics to mobile phones, tablets, GPS, other portable devices	Anytime, anywhere, instantaneous, convenience, reach, two-way communications, habit, geographic/location-specific information
Online – websites, portals, virtual communities, email, social networking	Speed, 24×365, self-service, convenience, reach, cost efficiency, crowd sourcing and recommendations
On site – shopfronts, meetings	Security, high touch, habit, identification
On paper – letters, brochures, books, journals, facsimiles	Convenience, record keeping, tradition
On call – call centres, IVR, voice recognition	Convenience, two-way communication, reliability, cost, speed, self-service, habit
On air – radio, television, pay-to-view services	Speed, 24×365, reach

behavioural changes. The key is to design the strategy around well-defined customer groups and transaction volume and complexity, rather than the products or services. This means having a well-defined customer value proposition for each channel. For example, transactions that are high in complexity but low in volume often fall into the ‘relate to me’ category and should be designed in a manner where human judgement and professional expertise can be provided, that is, through Web chat services.

To maximize efficiencies and ensure consistency of a ‘brand’ it is essential to have a common channel management framework across functional groups. Different channel types offer different features and qualities and will attract different users, but it is important that there be a common experience across each channel. This includes common terminology, consistency in e-service offerings, and a common look and feel. It is also essential that back-end processes support front-end customer requirements, and that careful attention is paid to the integration points with internal systems.

Customer Retention

An important strategy to achieve a high customer focus and retention rate is to concentrate on the ‘Rs’:

- **Retention** – the information service must develop services and strategies that keep the right customers from defecting to competitive services, or from ceasing to use services. This is sometimes known as ‘stickiness’. Customers are retained through adding value and quality to standard products and services.
- **Requirements** – different customers have different requirements and the important part of service delivery is to tailor services to meet customer requirements.
- **Refined segmentation** – all information services have limited resources. By understanding customer preferences, a more refined segmentation can be achieved. This allows each segment to be serviced in a cost-effective manner that is valued by the customer.

- Reach – different customers need to be reached in different ways. These may be reflected by offering different channels for the delivery or dissemination of information.
- Response – customers will also respond differently to different messages about services and products. Messages should be tailored and disseminated in a manner that communicates the right message to the right customer group.
- Relationship – the relationship between the customer and the organization delivering the service is very important. Value can be added through having knowledgeable staff who make an effort to understand their customers' needs and provide individual attention.
- Receptiveness – to build a true commitment to customer service, the information service must be receptive to feedback from customers and stakeholders about its services and product. A culture should be fostered that regards complaints as valuable information about quality failures rather than as an annoyance. Formal suggestions and complaint procedures should be in place. The information service should also act on the feedback to improve quality or overcome shortfalls.
- Regular consultation – consultation with customers to establish their e-service and product requirements can be achieved through focus groups, surveys, interviews and forums.
- Review – the customer approach to management requires a formal planning cycle of review, design, implementation and improvement of systems. Complaints and service difficulties should be regularly analysed to identify recurrent problems.

Maintaining Service Quality

Quality control should be a regular item on the agenda of executive management meetings. This serves two purposes. Commitment to service quality and the value that the organization places on quality goods and services is an important corporate governance and long-term sustainability issue. It also allows executive management to review progress and evaluate performance. The agenda items should cover customer and stakeholder relationships, a review of quality initiatives and programmes, identification of service delivery gaps and the strategies to close these, and a general evaluation of the current levels of service delivery.

In a continuously changing and challenging environment, the information services manager needs to set realistic expectations of the choice of channels and services at levels that can be achieved. In the drive for efficiency, there is often the temptation to put choices and quality specifications in second place. This is false economy.

Service quality is a driving force of sustainability as well as having a strong human dimension, such as how well users are served and treated by information staff. Therefore all employees should be given responsibility for quality and be made accountable for the quality of their individual output. They should be aware of the products, services and channels offered by the information service and its parent organization, and make an effort to understand their customers' needs. Individuals should be given training and skills development opportunities in quality management, measuring customer satisfaction and in any additional areas that may be needed to improve the service they deliver.

E-SERVICE QUALITY

As digital information access and delivery becomes the norm, the service quality element of e-tailing, customer support and service, and service delivery remains relevant. The

e-service experience still relies upon the interaction between the user or customer and the organization, albeit it is delivered via a screen. In some instances e-services continue to be supported by communication with human service agents, as in electronic chat lines and email.

Rowley (2012:88) states that the e-service or online service experience is defined by:

- the design of the interface (website), including its ease of use and the 'goodness of fit' between the tasks that the user wants to perform and the tasks available through the interface;
- service information, such as help guides, FAQs, and information about help services;
- opportunities for dialogue between the user and the service agent through e-mail, newsgroups, chat rooms and message boards, feedback forms and telephone helplines.

E-service is different to self-service. Whilst Rowley (2012:88) defines self-service as 'service in which there is no direct assistance from, or interaction with, a human service agent', this does not have to be. Self-service in the context of this book, refers to services such as self-check out of library materials. E-services comprise information services that are delivered in digital mode, and provide seamless access to information resources any time any place. E-service quality and design to effect ease in searching, identifying and locating information is just as important as in traditional services. E-services should be designed to be:

- easily accessible – taking into consideration any necessary security and privacy considerations;
- comprehensive – they should be useful, related to need and appropriate to the level of the decision-maker;
- accurate and appropriate to need;
- timely – information provided by the service should be continually kept up to date;
- flexible – to suit the needs of a variety of users; and
- consistent – in presentation.

QUALITY AND THE VALUE CHAIN

An important component of quality is to get the steps in the product or service development process, the value chain, right – first time, every time. The value chain is the chain of activities through which the organization transforms its input resources such as raw data or incoming correspondence into products and services that it delivers to customers. Each of the activities in the chain should build upon the value of the previous activity and contribute to the value of the final product. If any part of the process falls down, then the remaining processes in the value chain will build upon an inferior product or service. This is wasteful of resources and time. It is the quality of the total service that matters: the end product or service, and, the process that creates it.

The value chain not only leads to process improvement, it can also differentiate the product by offering an additional service. For example, raw data can be identified, captured and merged or manipulated in a series of steps to create a value-added information product. The product is marketed and can be further differentiated by offering it in either a value-added form, for example a choice of formats, or by providing consultancy expertise to assist the customer to make the most of the value-added information product for their purposes. The area of differentiation can be what distinguishes the product from another in terms of quality of service.

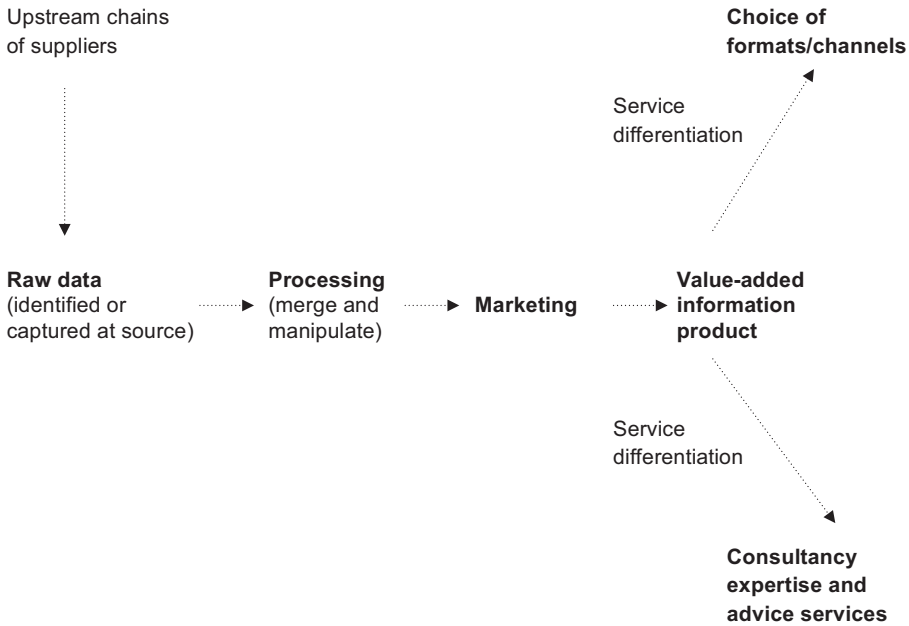


Figure 26.1 The value chain for a value-added information product

BUILDING CONTINUOUS IMPROVEMENT

Continuous improvement, ‘kaizen’ in Japanese, is a crucial part of both quality-based and time-based competitive strategies. The idea is that organizations can continuously improve the cost, quality and timeliness of their output by making small, incremental process improvements to achieve total service quality.

The important feature is that the improvement is built into the organization as a continuous process to which all staff have a sense of ownership and pride in improvements, rather than it being subject to a one-off improvement strategy that is initiated through a consultant.

CUSTOMER SERVICE CHARTERS

Customer service charters articulate the organization’s commitment to the customer. They contain statements on:

- who the customers are;
- the value that the organization places on the customer – ‘the customer is the most important person to the information service’;
- the relationship between customers and the information service and how they may be expected to be treated – ‘we will respect our customers’ requirements of confidentiality and privacy’;
- the level of service that can be expected – ‘we will respond to enquiries through Web chat channels within two minutes of receipt of the enquiry’; and
- the value placed on employees and their roles in customer service – ‘we respect our employees and encourage them to make creative suggestions that will further improve our service’.

Understanding customer value is important in increasing service quality. In thinking insightfully about what customers are really worth, resources can be focused on attracting and keeping the right customers. Customer value can be based on the:

- total value of their relationship with the information service;
- potential value of their relationship;
- profitability of their relationship;
- insights they can provide to the information service; and
- influence they wield over other customers.

SERVICE QUALITY FEEDBACK

Barwise and Meehan (2010:65) observed that ‘although many organizations make an effort to track customer satisfaction, in most cases the idea is to increase positive satisfaction as opposed to understanding and addressing the sources of customer dissatisfaction’. User surveys are useful in ascertaining customer perceptions and experiences on service quality and areas of customer dissatisfaction during times of change. They measure these perceptions and expectations over time, map their shifting priorities and preferences, and subsequently inform policy review and service development. At the same time, they provide valuable supporting evidence when making a case for increased resourcing, or communicating the rationale for changes in library services to users (Self and Hiller 2002).

Customer Service Support and Relationship Management

ACTING ON FEEDBACK

The delivery of a service or product to the customer is only the beginning of sustaining the relationship between the information service and the customer. What is of equal importance is the customer relationship management, service experience and service support that encourages the continual use of the service or product. Barwise and Meehan (2010) also observed:

customer dissatisfaction is rarely caused by the actions of a single department; directly or indirectly, many parts of the business play a role. . . . The challenge is to ensure that the company somehow hears the message and communicates it to those with the power to act – and that those managers then uncover and act on the cause of the problem. . . . To make it happen, managers need unfiltered and unfettered information about the actual customer experience – both positive and negative – and ideas about how to improve the offering and the company’s internal processes. The acid test is to probe whether front-line employees – those with day-to-day contact with customers – are comfortable presenting the CEO and other top managers with candid suggestions for improvements or other “inconvenient truths”.

SERVICE SUPPORT

The customers’ level of satisfaction or dissatisfaction with the quality and efficiency of the service experience and support will influence their perception of the product or service and either sustain or end their use of the service. Service support can be found in:

- Delivery or installation – services and products should be delivered or installed at the customer’s convenience. The delivery should be fast, on time and efficiently handled. For

example, an upgrade of software should be installed quickly out of hours or at a time when there is not an urgent deadline being met by employees.

- After sales service – follow up should be made with the customer regarding the service or product. After sales service should be efficient and attentive. For example, a helpdesk may call a customer to ensure that no more trouble is being experienced with a laptop or tablet.
- Complaints handling – complaints should be acted upon immediately and managed in a positive manner. Complaints should also be logged so that trends can be identified and rectified before there is an adverse effect on the product or service. This is particularly important when dealing with software.
- Warranty repairs – repairs under warranty should be efficiently handled.
- Account management – the invoicing of accounts should be efficient and accurate. Account payment processes should be designed to be convenient for the customer. The account management aspect of service delivery is potentially the highest risk area in customer service. Inaccurate accounting systems that result in goods or services not being charged, undercharged or payments outstanding have a negative impact upon the cash flow and profitability of the organization. Conversely, the continued overcharging for products or services will sour customer relationships with the organization and its reputation.

Conclusion

Service quality in the design and delivery of the service or product is an excellent way to differentiate an organization's offerings, sustain its long-term longevity and competitively position it as a leader in both the market place and market space.

Meeting customer expectations can be categorized into three areas that can be used to distinguish the information service from its competitors:

- service quality, which is often measured by high take-up, satisfaction levels, degree of accountability and choice, ease of finding information and responsiveness;
- offering choices in service delivery that requires considerations of customer reach, demographics, frequency of interactions, expectations, and skills and capabilities;
- knowing how people with different needs communicate and use different channels.

A high customer focus and retention rate can be achieved through:

- concentrating on retaining customers;
- tailoring e-services to meet customer requirements;
- understanding customer preferences;
- offering different channels for the delivery or dissemination of information;
- tailoring and disseminating messages in a manner that communicates the right message to the right customer group;
- having knowledgeable staff who make an effort to understand their customers' needs and provide individual attention;
- being receptive to feedback from customers and stakeholders about the information service's services and product;
- undertaking regular consultation with customers to establish their e-service and product requirements; and
- having a formal planning cycle of review, design, implementation and improvement of systems.

The delivery of a service or product to the customer is only the beginning of service quality and sustaining the relationship between the information service and the customer. What is of

equal importance is the customer relationship management, service experience and service support that encourages the continual use of the service or product. It is also important to get the steps right the first time, building continuous improvement and quickly rectifying the situation when things occasionally do go wrong.

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PART VI

SURVIVAL AND SUCCESS

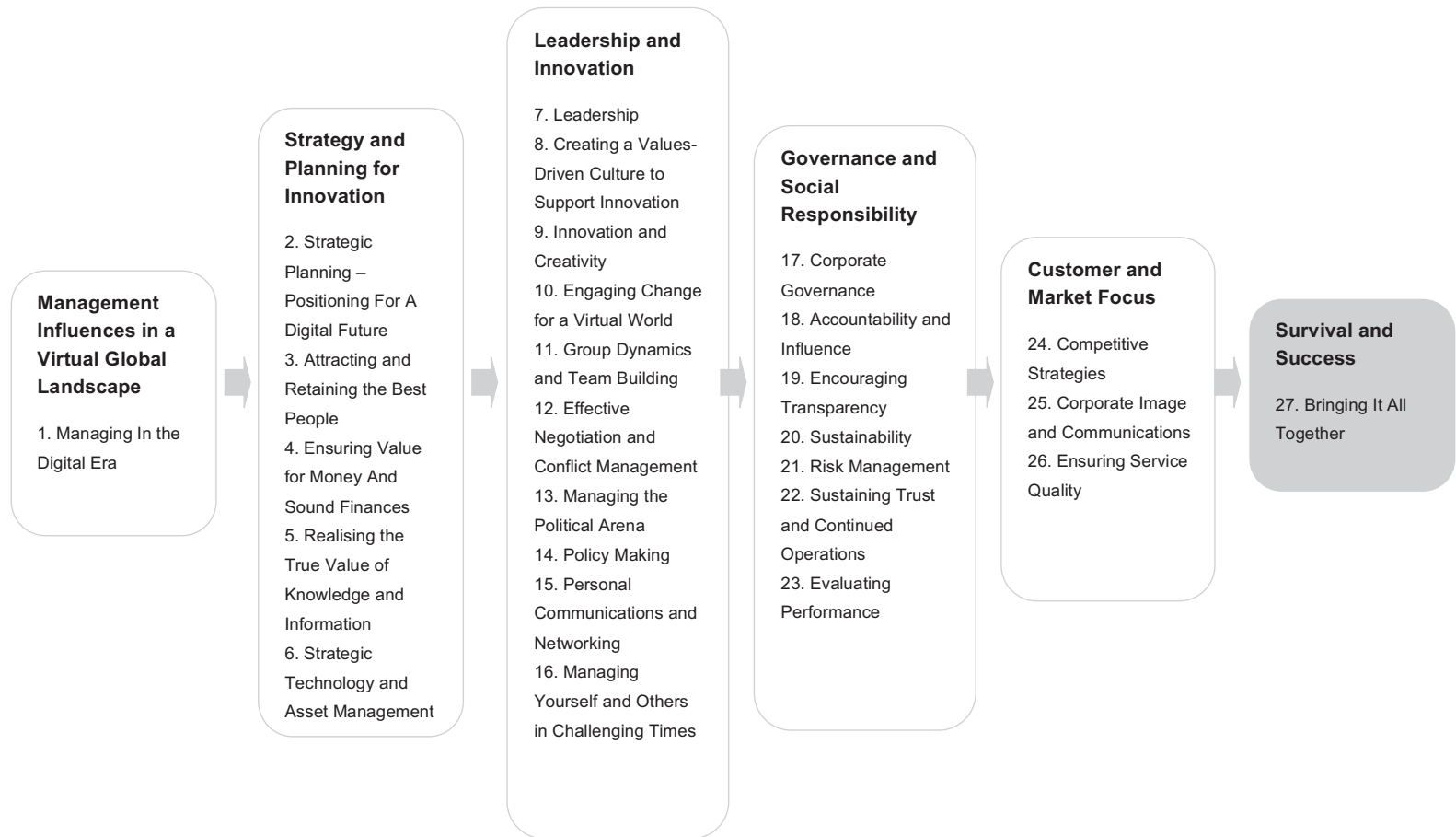


Figure PVI.1 Survival and success

Bringing It All Together

This chapter constitutes the sixth and final part of the book. It brings together all of the knowledge, skills and expertise that have been described in the previous five parts – that is, those which, as the very essence of management and leadership, make things happen and sustain organizations in an unpredictable, challenging and changing world.

Understanding the Management Influences in a Virtual Global Landscape

Dynamic environments that are indicative of uncertainty, complexity and change call for strong leadership and excellent strategy to withstand these challenging circumstances. Globalization and the virtual world present both threats and opportunities. They open up a new world of collaboration, enabling organizations to deliver 24×365 e-services by forming global networks or alliances with like-minded organizations. However, the will to make this happen, be successful and sustain the required energy to effect change is dependent on strong leadership, passion and vision to:

- drive organizational and personal renewal, including the capacity to think differently;
- build the organizational capacity to create and embrace change;
- take a global perspective and understand different cultures;
- look for new and innovative ways of exploiting technology for business outcomes in an always on, anywhere, anytime environment;
- identify, value and enable people who share their talents, intelligence and knowledge;
- create creative environments that support and actively encourage people to bring their creative ideas to work;
- instil a culture that is based on ethics and integrity;
- have the foresight and capacity to endure and confront financial, environmental, technological and workforce challenges; and
- build productive relationships with stakeholders, listening to other viewpoints as well as understanding and meeting their needs.

Positioning for a Digital Future Through Strategy and Planning

Positioning an organization for a sustainable future in a digital world depends upon rigorous strategic planning and consideration of alternatives, especially those that are conceivable (may be likely), possible (likely) and probable (most likely). It is undertaken with the view that organizations will need the capacity and capability to foster innovation to endure the challenges brought about by external influences.

Supporting this requires an integrated approach to planning human, financial, knowledge and information, technology and strategic assets, and seeking creative solutions as to how each of these assets can be leveraged to embrace the future through the strategic and effective use of information and ICT, support the globalization of services and capitalize on other business environment changes, as well as offer added value and excellence in integrating services.

Planning for resources and implementing strategies that lead to the most desirable future should be undertaken with the objectives of:

- attracting and retaining the best people;
- ensuring value for money and sound finances;
- realizing the true value of information and knowledge within the organization; and
- being smarter about the use of technology and other assets as strategic business tools to create the advantageous edge.

This is with the view to:

- maintaining or enhancing financial viability and maximizing the return on investment for the organization;
- developing business capacity and capability as well as supporting strategic alliances for positive, tangible results and outcomes;
- enhancing the organization's competitiveness and improving customer relationships and e-service delivery; and
- making decisions and managing programmes and projects in a manner that maximizes benefits to the natural environment, humans, their cultures and communities.

Leadership and Innovation in a Virtual World

The digitally connected and intelligent world requires a far-sighted leadership approach that creates a sense of passion, energy and excitement on the information service's future role in a global virtual world. It requires the information services manager to understand and share this understanding about the rapidly changing environment, as well as to lead and enable shifts in thinking about how e-services might be delivered. For this reason change, innovation and leadership are inextricably linked.

Strong leadership, interpersonal and change management skills and an understanding of a values-driven culture are critical in repositioning information services in the global and digital economy, especially in negotiating and implementing 24×365 e-services that are supported through global collaboration. These skills also come to the forefront when leading across different cultures and sub-cultures during the process of integrating services.

Furthermore a strong correlation exists between the other leadership roles of understanding and managing group dynamics and building teams, effectively negotiating conflict, managing the political arena, ensuring effective policy making, communications and networking, all of which contribute to managing and sustaining the well-being of individuals who work in the information service. Personal communications, networking, effective negotiating and conflict management have specific importance in:

- discovering underlying concerns and anxieties when sustaining the well-being of individuals in challenging circumstances; and
- engaging people in change, minimizing conflict and delivering important messages to staff and stakeholders regarding the change.

Governance and Social Responsibility to Support Transparency and Accountability

Increased public scrutiny and the involvement of the private sector in public sector service delivery are two matters driving the governance agenda. A third and important factor is that of trust in an organization; a factor that is either enhanced or damaged by its corporate reputation. In turn, trust is predicated on the organization having good governance, transparency in decision making, accountability for actions and performance, effective security for its information and people, and a focus on sustainability and social responsibility.

Good governance practices and structures are also beneficial in changing environments where there are far-reaching consequences in actions, and where ensuring ethics and integrity, making the right choices and correctly attending to and dealing with dilemmas are paramount in decision making. Good corporate governance structures can help to ensure the correct and sensitive resolution of such complex problems and proposals to ensure sustainability and value for today and the future.

A further test of good governance is the avoidance of the abuse of power in organizations. This requires a good understanding of the various power sources and how to use these effectively to persuade and influence ethical outcomes rather than to control people and situations for personal gain.

Trust and a good corporate reputation are reliant on having transparency in decision making which is assisted by open and participative decision making, as well as having a culture where managers at all levels are approachable and open to suggestions and ideas. Openness also includes encouraging candid and honest discussion leading up to when decisions are taken so that a comprehensive view is formed of the issues being considered, as well as frankness about the decision itself. Participative decision making also allows people to bring multiple views, aspects and knowledge of the subject area, as well as different abilities, interests and skills that will result in better decisions.

Planning for adversity is the key to overcoming adversity. Risk management strategies identify the potential for adversity and put appropriate actions in place to manage the event or situation according to the probability of it occurring. In turbulent and changing environments, a major role of the manager is to anticipate, assess, manage and minimize risk. Information services have traditionally considered information security to be one of the foundation elements of risk management. Whilst information security is still a major risk management issue, there are other risk issues that should also be managed. These include theft of intellectual property rights, personal safety and occupational health and safety risks, loss of public reputation, image or regard for corporate citizenship, and loss of key staff and expertise – all of which require other risk management strategies.

Customer and Market Focus to Ensure Competitiveness

Having:

- identified and managed the challenges and strategic influences in the changing landscape;
- shaped the right corporate environment through leadership such that it values creativity, supports innovation and positively engages in transformational change; and
- ensured that proper governance is in place and that sustainability and other social responsibilities are met;

the information services manager has one further challenge: how to sustain a customer and market focus in order to excel in service delivery.

The bottom line for this is in meeting customer needs. This involves ensuring that the correct competitive strategies are in place to identify needs, that the correct image is projected to attract and continue to attract and retain potential and existing customers, and that service quality prevails at the initial point of contact and in all subsequent dealings.

There are many ways in which strategic marketing and competitive strategies can be used to identify the right path in transforming the organization to harness the unpredictable world ahead, to meet the challenges of the increasingly sophisticated needs of clients and to excel in service delivery. The challenge is to choose and meld the different strategies to get the right mix, to optimize competitive intelligence to advantage, to know when to diversify or rejuvenate services, and to learn more about customers' needs and behaviours.

The management of the organization's image and messages to the external environment is as important as managing the internal communications. In their boundary-spanning role, information services managers need to ensure that the impressions and beliefs that individuals have about the information service are the correct ones. The image of the information service is conveyed electronically in its Web presence and use of social media, orally through personal communication, physically through its built environment including the physical design and colours used, and by other communication mechanisms such as reports that may be in electronic or hard copy form.

The design and delivery of the service or product to the customer is only the beginning of the relationship between the organization and the customer. Loyalty and customer retention are also key components to the service's competitive edge. Trust, choice of service channel, complaints handling, accounts management and service backup that supports the continual use of the product or service and commitment to the customer must be of equal quality.

Conclusion

The focus for leading and sustaining information services in global and virtual world is to create a vision, plan strategies and inspire others to work towards the achievement of that vision. Along the way, challenges will be encountered, often on a daily basis, that will require creative thinking and innovation to resolve them. This thinking will also be needed to continually invent the next advantage and ensure financial, environmental and physical sustainability. It will involve using bright ideas, information, knowledge, creativity and innovation to do so. In addition the leader must build individual and organizational capability to create, engage and sustain change and protect their organization's corporate reputation in the global media environment.

Innovation, governance, benefits realization, social responsibility and having an outcomes focus are high on today's list of managerial expectations. Information services exist to add value to the business of the organization, whether this is to ensure survival and success through continuously inventing new advantages in a global environment or to build social capital in a local community. The bottom line in adding value is transparency, sustainability, relevance and quality such that the service excels in the mind of the customer.

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