

# Umeå University

Service Department





## **To make strategic efforts through management by objectives**

### **The changes – a brief summary**

The Service Department at the University of Umeå is an internal service provider offering services in several different areas, i.e. printing, transports, internal post service, cleaning and electronics and mechanics.

The period of change spans more than a decade. At the end of the 1980s the organisation involved hundreds of people used to a hierarchical organisational structure. Their status was a low one within an organisation otherwise characterised by high status professions.

Delegation was an unknown concept. The economical conditions were diffuse and all operational units experienced financial deficits. Documentation and all kinds of review were missing. In addition, increased external competition emerged as a threat.

Today all of the 23 operational units show satisfactory financial results. A well-developed evaluative system exists, key figures being spread across the organisation.

An extensive survey of work environment indicates that a vast majority of the employees are satisfied with their work in general. They also report themselves to be healthier than expected from normative data. In a study involving customers, all of the operational units were appreciated for their quality and kind treatment.

In order to achieve these changes, continuous follow-up assessments of the activities, directed both to the organisation itself and to customers and suppliers, have been conducted. There are an ongoing dialogue between management and employees and between employees concerning service production, improvement, decision making and results. As a result we are approaching our vision: "Based on skill, style and self-respect we earn appreciation and creates our own future as well as prosperous customers".

## Organisational overview

Umeå University, located in a medium-sized city in Northern Sweden, has about 3 700 employees and 24 000 students distributed across a variety of academic disciplines. Since it was founded in the 1960s, the university has expanded enormously and has had a profound influence upon growth within the North region of the country.

There are in total 11 universities and 39 university colleges in Sweden. At most educational institutions, the service facilities are bought from external agents. In cases where these facilities are managed by the institution itself, a well-developed organisation is lacking. The fact that the Service Department in Umeå has managed to implement an efficient organisational model has brought about a number of educational study visits.

Let all the flowers blossom! At our service department this is a frequently used expression, meaning that each employee shall have the opportunity to develop and grow as a person. In fact, the use of metaphorical language is commonplace within our organisation and flowers have become the symbols of our department. Our growth from 1990 until 2001 may also be compared with that of a flower. Above we see a flower with eight petals symbolizing the operational units we started with. These burst and now amount to 23 glorious petals.

The Service Department of year 2002 involves 300 employees, 207 women and 93 men, with a mean age of 48 years.

These work in 13 different areas (the numbers show percent of annual turnover):

- management (2%)
- sales (8%)
- photography (1%)
- prophylaxis (1%)
- graphic design (6%)
- caretaking (11%)
- cleaning (31%)
- electronics and mechanics (4%)
- renting of locals (19%)
- invigilation (3%)
- printing (10%)
- logistics (2%)
- food and lodging (2%).



### What was needed to be done?

The developmental work was initiated by a new manager who, with great personal commitment, enhanced the process of creating excellent results by increasing participation and responsibility among the employees with regard to personal relations, quality, economy, and development of work activities. Developmental targets are to create good principles of management and opportunities

- for delegation and decentralisation
- for the employees to understand the operational results
- for the employees to see themselves as a important component and to understand the organisational targets and how to contribute to its fulfilment
- for the employees to influence their own situation
- for the employees to work with key figures and follow up the activities at the operational unit
- for the female employees to work full time
- for the organisation to create a feeling of affinity.

Specifically, the objective was to make the work group go from the attitude of

- **WEAC** – **WE** have never **AC**ted like that/  
**WE** have always **AC**ted this way

The working environment was miserable and quality control missing. We aimed for a

- **STRONG** – **S**trategic, **T**hinking and creative, **R**ationalizing, **O**rganised, **N**oteworthy and **G**oal oriented organisation.

(In its origin it is a Swedish abbreviation which here has got its English version).

### How to do it?

The question was HOW?

- How could the employees be freed from a hierarchical conception of the workplace and be encouraged to make their own decisions?
- How could the work of each of the units be made more visible to others?
- How could efficient routines be implemented at all levels?
- How could economical reports be made more comprehensive and legible?
- How could we create the necessary financial conditions of work activities?
- How could we make employees feel motivated and involved?
- How could a feeling of affinity be evoked within each of the employees?
- How could we find an instrument to facilitate management?

Management by objectives turned out to be an important key to future development. This means comprises leadership, participation, influence, planning, development, training, results, measures and monitoring.

### How to implement – management by objectives

To go from hierarchical conception to management by objectives is no easy task. It is a durable process and backlashes are commonplace. Work was started by promotion of the basic tenets of management by objectives at a meeting involving all employees. The purpose was to make the targets visible and to have an creative dialogue. It is a prerequisite for management by objectives that targets and resources are balanced.

This meeting was followed up by further gatherings, during which all of the employees worked with questions concerning the customers, work tasks, individual needs and rewards. In consensus we defined the mission and scope, objectives, targets and a

monitoring system for each operating unit. The units then developed controls and measurement for their operation. Actual results were not centrally produced. To gain confidence, each person generated its own report and was responsible for the results.

This was, in several cases, the first occasion at which employees had the opportunity to discuss their work tasks from a general point of view and to consider improvements. This gathering revealed that extensive knowledge existed within the organisation. Specifically, individuals were motivated but were not used to the limelight.

Several kinds of problems were also identified. These concerned the work environment in general, lack of resources, computers, high rates of absence due to illness, and problems with recruiting new employees. New units were constantly added to the Service Department, all of which had experienced financial problems.

The colleagues questioned our work methods. Questions were asked such as: Why build our own Financial Management Systems? And isn't management by objectives just word of fashion? And how could the service department be profitable? The service department did not bring any benefits to the core business of the university. These aspects are not so easy to deal with, but we learned that by providing statistics and key figures we received response from the university management.

### **Which are the most important factors for success?**

We needed to make sure that everybody understood the basic issues. To this end we likened the organisation with a bouquet where each unit and employee is a flower. We pointed to the requirement of nutrient input, love and light for these to burst. Let all the flowers bloom became our device.

Instead of writing lengthy policy documents and plans we focused on illustrations and oral presentations and adopted a flexible meeting structure. In addition, the model was adjusted in accord with the unique features of each operational unit, including the specific knowledge, variations in cultural background, and degree of maturity within the units.

Management by objectives, and the involvement that follows, requires a great deal of knowledge and an understanding attitude to be successful. Ideas of the manager had to be presented in a step-by-step fashion. In cases where the steps were perceived as long strides, the issues were discussed at further meetings. At these, employees were asked how they conceived of matters.

As a result of this dialogue an organisational culture was founded in which no one is afraid to speak freely and also learns to listen to and respect others' opinions, something which, in turn, serves to create a feeling of affinity and visibility among the employees.

In general lack of control of the financial situation was the major problem identified at these meetings and was hence dealt with first.

From a point of receiving grants in order to manage the work financially we now had to turn to a system of pricing our products and services. Part of the university's accounting system could not deal with pricing and selling. Thus, we had to create an accounting system of our own.

In order to involve the employees and to make sure that they understood the terms of business economy, a business game called "Ice-cream factory monopoly" was introduced. This game served as an instrument to turn losses into profits. Specifically, the collaborators were trained in running a business and to appreciate the difference be-

tween a system based on grants and a system based on selling services.

Simultaneously, each operational unit defined its targets and key figures. They were held simple and well defined and the methods were time-invariant in order to make comparisons of key figures possible. Our policy was also to make financial presentations comprehensive.

Presence of well-defined targets and knowledge of business economy is of little use if the employees are unable to co-operate. A means to achieve that, is to use a technique of moderation, called "Metaplan", where different opinions are written on post-it-notes and structured on a wall. This technique serves to create similar pictures and results in common decisions, by virtue of the fact that the technique requires activity on part of everyone and encourage presentation of personal opinions.

Another means to increase empowerment is to arrange regular meetings involving all the staff. At those meetings personnel issues, investments, results, and the market is discussed.

We had now gathered a wealth of results and wished to inform our employees of them in order to give positive feedback. Here, the idea of an annual report of our own was born. Since 1993 all collaborators have received this annual report which includes a presentation of each unit with a photo of each of the employees. The report also includes documents stating the targets, key figures, and annual financial statements. In this way each employee feels participant in the results achieved.

The report is first presented at a lunch meeting involving the employees of each operational unit. The presentation is devoted to communicating key figures, financial results for the past year, and plans for the forthcoming year. As a result, the employ-

ees feel responsible for the results achieved and may collectively enjoy the fulfilment of targets.

In addition, the annual report serves as an important medium of communicating the basic vision of management; it is our firm belief that each and every individual needs to feel self-responsible and able to fulfil her, or his, own work potential.

### **What have we achieved so far?**

During the last few years we have focused on the work environment from the point of various aspects. A prophylactic unit has been established to promote health among the employees.

An extensive survey (fig. 1) concerning the work environment, that illuminates different areas such as development, co-operation, courage, work-satisfaction, economy, feedback, involvement, attitude, responsibility, reward, health, harassment, and management, has been conducted.

The results show that employees of the Service Department are generally satisfied with their jobs. They tend to be of above-average health. More than 90 percent of the respondents would like to continue their work at the department. A similar figure holds with regard to the share of employees feeling that relations with workmates and supervisors are satisfactory. Also, nearly all are satisfied with customer relations, feel that the work atmosphere is satisfactory, feel responsibility for the task at hand and find work stimulating in general.

More than 80 percent are well acquainted with the organisational targets, unafraid of taking initiative, comprehend the economical information, share knowledge with each other, and receive support from their workmates. They are also satisfied with the equipment, feel proud of their work and receive the respect they deserve from super-

visors as well as workmates. However, many are dissatisfied with their salaries.

A large-scale interview (fig. 2) including representatives from the department and units at the university was conducted. Most were acquainted with and used the products and services from the 23 operational units. Moreover, customers felt that they

were kindly treated, were satisfied with work done by the staff and with the short delivery times. In a dialogue with the customers improvements on points were problems were identified were discussed and solutions were implemented to reduce these problems.

**The work attitude**

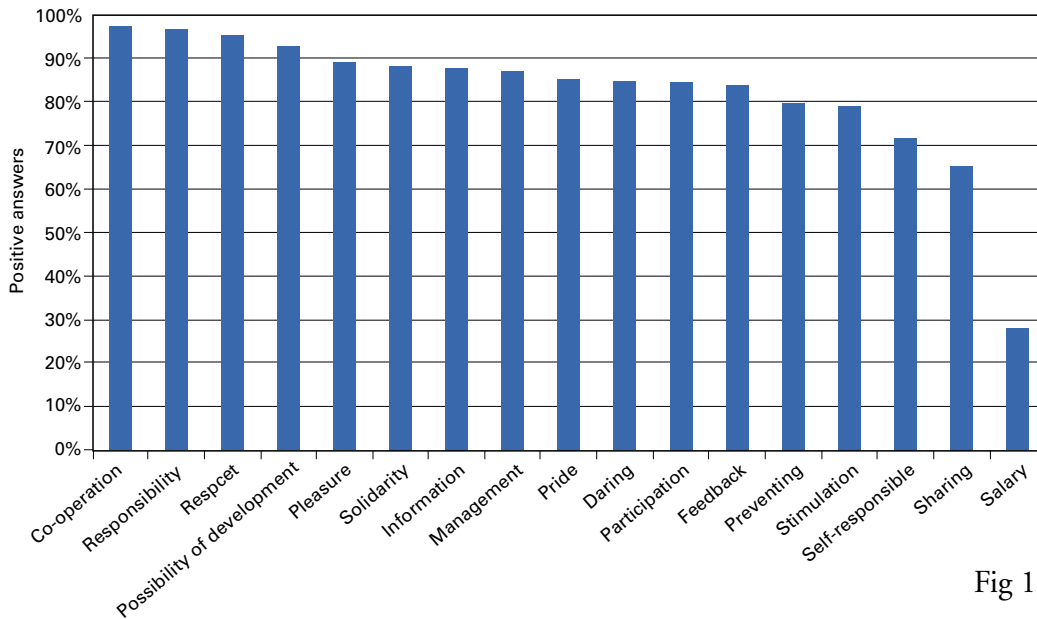


Fig 1

**Results from customer intervju**

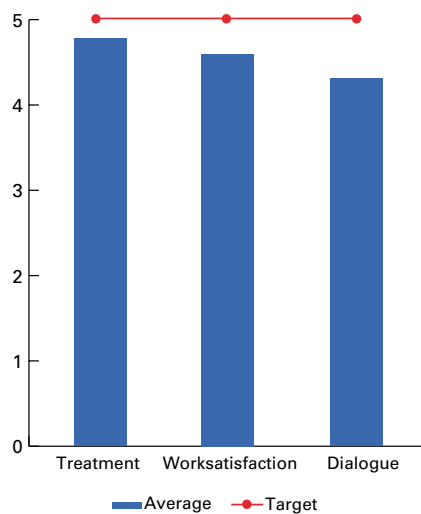


Fig 2

Service Department

Umeå University

SE-901 87 Umeå, Sweden

Tel +46 (0)9 786 50 00

Fax +46 (0)9 786 77 66

[www.umu.se/service](http://www.umu.se/service)



Umeå University

SE-901 87 Umeå, Sweden. Telephone +46 (0)9 786 50 00. Telefax +46 (0)9 786 99 95.

[www.umu.se](http://www.umu.se)