

# CONFERENCE OVERVIEW

The 2018 **Annual Conference** was held from **24 to 26 October 2018** at the **Forever Hotel @ Badplaas, Mpumalanga**. The conference theme for this year was “Organizational Effectiveness: Management Services/OD Approach – the smart option”.

## Overview of Presentations

### **The Coach as an Agent of Influence and Change Using Neuroscience for Success**

Dr. Denise Bjorkman is the CEO of the Neuro Business Institute (NBI) and a founding member of the SA Council of Professional Coaches and Mentors. She is a health practitioner, business consultant and legal scholar and currently works in 19 countries across 4 continents. She teaches managers and leaders to apply neuroscience principles in their unique environments. Neuroscience is a journey into the brain.

#### **Introduction:**

Coaching is a means to bring about growth and change. The coach or mentor is the agent of this change. If a coach wishes to bring about personality and character growth while driving changes in habits, reflection must be caused. A coach DOES NOT give advice. Rather he/she uses Socratic methods to ask meaningful, focused and relevant questions to drive reflection, ownership of new perspectives and therefore change. Habits are hard to change. Even when it is a difference of life or death, only 1 in 10 cardiac bypass patients change their lifestyles.

According to dr. Bjorkman neuroscience is simply the study of the nervous system (brain), how it develops and forms new connections, its structure and what it does as an integrated whole. Social media is perceived as an instrument that causes damage and dependency to the human brain.

Coaching requires strategic competence. She unpacked 10 Socratic coaching methods needed by the brain. Socratic coaching is top down coaching (using the logical brain) using what the brain needs to be interested, excited, inspired and enthusiastic of working with you.

#### **10 Socratic coaching methods that the brain needs**

1. Maximize attention and retention:
2. Use a beginning and end
3. Keep focus on goals and outcomes
4. Surprise - Novelty
5. Challenge
6. Repetition and reminders
7. Problem solving and solution seeking questions with reflection
8. Self-regulation and self-discipline (beats IQ hands down for success)
9. Use the voice by chunking ideas - Byte sized information
10. Giving reasons why - motivation

#### **The Brain**

The brain is lazy and lives in the now. It hates using energy. Knowing about three main parts of the brain is a starter.

The reptilian brain is the oldest part of the brain, followed by the limbic system or emotional brain and finally the newest part of the brain is the prefrontal cortex or logical part of the brain. Because the brain cannot multi task, your job is to ensure that the logical part of the brain is engaged. The eyes are the only visible part of the brain and they are constantly scanning the environment for threat. The brain consists of 10 parts, of the brain namely; Cerebral Cortex, Thalamus, Cerebellum, Medulla, Reticular Activating System, Pons, Pituitary Gland, Hypothalamus, Corpus Callosum.

### **What is the brain concerned about?**

If you understand the workings of the brain you will be able to influence major change. Several models of the brain for a coach are proposed. That of David Rock partially explains it. (*T-Scarf- The acronym T-SCARF stands for Threat, Status, Certainty, Autonomy, Relatedness and Fairness – five key triggers that activate the limbic brain, either positively or negatively, in our relationship with others. refer University of Stellenbosch Business School for more information*)

- Threat: Withdrawal, Flight
- Status: Recognition for job well done, self esteem
- Certainty: Predictability, Reliability – which in turn guarantees safety
- Autonomy – trust in the person's ability to rise to the challenge
- Acceptance - desperate need to be accepted, liked and wanted. The in versus the out group.
- Relatedness: Belonging and connections; approach; need. The dangers of diversity training rather than inclusion.
- Fairness – equality. Hard wired for justice

Professional Concerns – this is the environment a coach is working in:

The brain is altering in size, structure shape and function e.g.

- The part where Memory is stored is becoming smaller (we use Google and cel phones)
- Motor sensory part of the brain developing, and hippocampus is becoming smaller
- Empathy is disappearing – calculating activity taking its place.
- Brain is quantitative not qualitative
- Mental health is compromised
- Narcissism – instant gratification: I want it all and I want it now is taking over
- No Utilitarian attitude towards friends, family and bosses: What's in it for me?
- Data overload
- Addiction: Dopamine rushes (neuro transmitters in the brain)
- Superficial emotions and empathy
- Constant need for stimulation

Social media can be an instrument which damages and creates dependency. Digital addiction can also impact on responses.

- It Makes the brain and hippocampus smaller ('The Knowledge');
- Memory knowledge and useful information suffers;
- Remember the file name but not what is inside;
- False sense of compassion and empathy;
- Promotes narcissism and absorption with self;
- Reduces arborization (*fine branching structure at the end of a nerve fibre*) of neurons – which obstructs development (leads to dementia; mental health; disease).

Coaching requires a strategic competence, if you know and understand the personality you are working with you would be able provide better guarantees for growth.

### **The neurobiology of change**

What are the neural connections that drive behaviour? The interplay between working memory and focused attention is the problem. Understand Mirror Neurons and their role in empathy, feeling and sensitivity to others. The working memory in the brain is a holding area. New information is compared with old information which is already stored in the brain. It looks for a match. The information goes to the **prefrontal cortex (PFC)** in the brain where rational thoughts takes place. This place is energy intensive. It only holds a limited amount of information at a time. It gets tired easily. The brain is hardwired to look for environmental errors: differences in existing information and that which is incoming. If a contradiction occurs – threat is in the air. Intense neural firing takes place in the fear centre of the brain. The fear or anger response is counterproductive. Well habituated tasks are stored in the basal ganglia deep in the brains core. The basal ganglia uses very little energy compared to the **PFC**. It is used to do things without conscious thought in a routine activity, e.g. driving a car or riding a bicycle. You don't need to think about it.

### **In the workplace**

An employee is praised for good work and the reward circuitry kicks in. This settles in the brain as preferred behaviour. When something new is introduced there is conflict and he sees himself as failing. Social media can be an instrument of damage and creates dependency - Digital addiction can also impact on responses.

Humans love to do what's easiest - an economy of scale. Forcing change is a useless exercise. It has to be done one brick at a time. The key is to sell THE GOAL and achieve focus.

### **How to take the brain out of chains;**

10 Steps towards driving change (Forbes). Brett Gleason. October 2016.

#### **i) State the change with the coachee and why it is important. The reason why.**

The leader must be able to articulate what the change is about and what winning looks like on the other side. Lead from top down.

#### **ii) Use Chunking, small pieces of information at a time.**

The brain can only handle small bits of information.

#### **iii) Listen for feedback (the 12 step AA model of articulating)**

Buy in can be obtained from getting feedback. Get feedback right through the process. Making it anonymous will help and encourage transparency. Leaders must lead by example in this regard. Change can be scary for the team. Compassion and empathy are important. Leaders must communicate clearly, show discipline and be transparent.

Emotional intelligence is not a soft-side leadership strategy as it may sometimes be perceived. Leaders that actively practice improving their emotional intelligence are better equipped to drive positive change and guide the team through the inevitable obstacles.

#### **iv) Establish Goals – a function of a coach**

There is a direct connection between personnel goal attainment and personal and mental health. Goals provide certainty and create personal identity, wellbeing, health

Unattainable goals create uncertainty, fear, deep seated insecurity, depression, heightened stress and unhappiness (compromised immune system with absenteeism). Self-regulation and self-discipline goes with this

**v) Always explain the WHY it must be done. Motivate your answer**

It became very apparent that we need to be doing a better job explaining the “why.” Once a team understands the reasoning behind this change and that the goal is to improve their work balance, efficiency, competitiveness of the company and sustainability, revolts slowly subside. **WHY REDUCES THREAT** and provides motivation.

**vi) Define Clear Roles**

Defining the roles and decision-makers are very important. Everyone with a role in driving change must understand who is accountable, responsible and informed. Specific team members must own certain aspects of the change process. Once roles are assigned, make sure that milestones are set, regular check-ins scheduled and a rhythm of communication established.

**vii) Provide Training**

Most of the time, training will be required. Whether it's a new system, process, software or an overhaul in customer service, the team needs to be well-trained for the changes to not only stick, but to be effective. Very important is time and budget that have to be set out. This is where companies fail most of the time. Leaders have to provide proper time and resources during the roll out period.

**viii) Reward Acceptance Publicly – Reward the behaviour not the ‘genius’.**

Some team members will take well to change and proactively aid in its acceptance while others will be slow to adopt. Have a plan in place to publicly reward those that make the time and effort to embrace change. Especially those that do it with a good attitude and get other team members on board. Change is inevitable. It's much less painful doing it right the first time. Following these steps will help increase the speed of change and keep morale high during the process.

**x) Improve your influence and credibility – be visible**

**x) Repeat, repeat and repeat**

## **Organisational Management and Change Management at the Centre of Being Effective and Efficient the Smart Way**

Mr Reggie Cele, studied and qualified as Management Services Practitioner at the University of Zululand, obtaining a national Diploma in Organisation and Method Studies. Through UNISA he obtained a BA degree majoring in Education and Psychology. Through the University of Stellenbosch he obtained a Masters in Public Administration. He has worked in the Office of the Premier (KZN) and the Department of Community and Safety. He has been employed since 2012 with the EThekweni Metropolitan Municipality as Deputy Head Management Services.

Mr Reggie Cele presented on the day to day challenges of service delivery in the Public Sector and pointed out a few suggestions for improvement that OD should implement in order to improve on Organisational efficiencies.

### **ROLE OF MANAGEMENT SERVICES**

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- Unpacks vision into attainable objectives
- Helps the organisation to achieve objectives
- Strategy influences business processes
- The unit/departmental strategy must be informed by the electoral and legal mandate of the unit/department.
- Business processes must be developed, maintained and improved on a continuous basis (BP Management).

He demonstrated productivity (input, process, and output) and its importance in the organization's success. Change management is very important to achieve the objectives and goals of the organisation. He unpacked the framework for Organisational design in which the vision is the trigger and strategic planning, business process and organisational structure is the process.

### **How do we improve service quality?**

- Alignment of National, Provincial and Local mandates;
- Integration of planning process;
- Proactive planning;
- Develop efficient processes. Eliminate unnecessary red tape;
- Have service delivery centric culture;
- Organisational design that addresses organisations need;
- Amoeba like and transversal organograms
- Accountable and conscious leadership;
- Staff empowerment;
- Embrace technology;
- Effective monitoring and evaluation mechanisms;
- Increased productivity levels linked to incentives;
- Effective implementation of Flexi-time and Shift systems;
- Work standards adopted by employees; and
- Creating a work environment built on collaboration and fostering innovation.

## **Work Measurement within the SAPS**

Mr Jack Makgato, Retired Major General of SAPS, has 35 years of Public Service Experience of which 30 years are practical experience as an Organisational Development Practitioner. He has a master's degree in public management and Development. He is a certified Director (IoDSA) and also has a certificate in Applied Populations Studies. Jack is currently a Business Development Practitioner for rural communities.

Mr Jack Makgato, presented on the work measurement practices and expertise with specific reference to MOS (MTM Office System). He explained how SAPS perform work measurement. They have records of all the work done in all police stations and they perform work measurement even on the smallest activities. Work measurement depends on the scenario and as OD we measure the service providers not the people receiving the service. While performing work measurement existing procedures and resources utilized must be relevant. He reiterated that standards must be used when conducting work measurement and people who are experienced must be used for work measurements.

# **Development of Effective Standard Operating Procedures (SOP'S)**

Ms. Edzisani E Netshiozwi, also known as Ellen, is the Director responsible for Strategic and Service Delivery Planning at the Office of the Chief Justice. She has 8 years' experience in strategy development which she gained in various departments. She has a Bcom and Bcom Honours in Economics, a Master of Management in Public and Development Management. Post graduate Diploma in Public Sector Monitoring and Evaluation and is currently busy with a PhD in Development Studies.

Ms. Edzisani E Netshiozwi shared the approach of the Office of the Chief Justice for developing standard operating procedures (SOP's) that contribute towards effective and efficient service delivery. She used the Office of the Chief Justice as a case study for service delivery optimisation. SOP's can ensure that business processes can be implemented successfully. In order for the SOP's to be successful, it is very important to obtain leadership commitment and buy-in. Leadership provides the mandate for the development and implementation of the Operations Management Framework.

## **Approach to Developing SOP's**

She explained the approach taken for developing the SOP:

Understand which processes and procedures must be used

- Use guiding instruments (guidelines, templates, etc.);
- Obtain management buy-in;
- Develop governance/ institutional arrangements (register for SOP's, and owner);
- Use a Project Plan (to ensure time frame, responsible team, what needs to be developed, cost implications, project sponsor);
- Institutionalise (Development, consultation, approval and communication);
- Provide Training;
- Manage Implementation;
- Conduct Monitoring; and
- Review.

## **The benefits of SOP's in the organisation**

SOP's ensure consistency in the performance of duties (standardised work methods)

- Ensures understanding of the roles and responsibilities for the performance of certain functions;
- Minimizes learning downtime;
- Ensures Knowledge management; and
- Ensures Business continuity

## **Utilising SOP's has had the following positive outcomes**

- It improved efficiencies in service delivery;
- It has contributed to reducing audit findings on audited areas, as they assist in conducting work in line with the required procedures and standards;
- Provided consistency and quality control in delivering services;
- It facilitates cross training for all officials; and
- It provides staff with the motivation to do things right;

## **SOP's are important for the following reasons**

- It provides structure to important administrative functions of an organisation;
- It specifies in writing what should be done, when, where, by whom and how;
- Assist in standardizing processes in concurrent functions;

- It promotes Knowledge Management for Resource Management;
- Provides training to officials; and
- Improves efficiencies.

Using this process has enabled the office of the Chief Justice to develop eight approved Standard Operating Procedures (SOP'S) in a one (1) year period.

## **Value in Developing Business Model (BM) for an Organization and the Impact of 4th Revolution (4IR)**

Mr Zephrus Molewa, is an Organisational Design, strategist and HR Professional and holds the following qualifications; BA Administration in Industrial Psychology, Post Graduate Diploma in Organisational Development , Bachelor of Administration Honours in Human Resource management, Masters of Commerce in HR management and Masters of Business Leadership He is the founder and Managing Director of Global Corporate Leaders group and Global Competitive Advantage Academy and currently registered as a Master HR Professional with the South African Board of People Practice (SABPP). His presentation dealt with the value of a business model or service delivery model for an organisation.

Business Model is frequently used interchangeably with the Operating Model (SOE's) and Service Delivery Model (Public sector). The business model analysis supports management in determining the most suitable operating procedure model to meet the mandate and overall service delivery expectation. He explained the business model challenges while making examples of entities that had an issue with their Business Model and are now reviewing and defining their Business Model. The Business Model is the blueprint of how a company does business and it is a description of how an institution will deliver on the services and products that were identified during the strategic planning process. The relationship between a strategy and Business Model is that Business Models describe, as a system, how the pieces of the business fit together, they do not take competition into account as that is strategy's job and strategy is a corporate level tool, business model focuses on business unit or architectural level and process models on functional and implementation level. Business Model is critical to the organisation because it unpacks how the institution is going to deliver on the determined strategy and it should be reviewed and revised every year.

According to Mckinsey's Research, the impact of the 4th Industrial Revolution (4IR) will be on Technology and Digitization and the impact of Technology and Digitization it could possibly lead to 90 Million people losing their jobs by the year 2020 and that many Jobs could be replaced by Robots.

### **When should a BM be developed and what is the time period for the BM**

BM unpack how the institution is going to deliver on the determined strategy.

- Often strategic plans are valid for a five-year period but should be updated and revised every year.
- To align the processes, it therefore makes sense to relook the BM every year during the strategic planning session or directly thereafter.

### **Business Model trends**

- BM should be simple and accessible to all employees and service recipients;
- BM's also attempts to identify and reduce duplication of services between different government agencies and within itself;

- BM's are also used as a tool to identify areas for collaboration between departments and between spheres of government;
- In general the leading practices indicated that the BM either includes a Performance management system or has a compulsory link to a Performance Management system;
- It should be noted that E-Government is not seen as an innovation by itself, but merely one of the essential drivers for innovation and service delivery in government;
- BM contain some element of Total Quality Management / Continuous Improvement and as such then the elements of the Business Process Management Methodology developed by the department of Public Service and Administration; and
- BM's generally attempt to be concise, but many of the principles/aspects (e.g. alternate service delivery methods) are described and regulated by pre-existing procedures/models.

### **Content of a Business Model**

A BM contains the following information as a minimum:

- Confirmation of mandated responsibilities;
- An informed list of services to be provided and an indication of who would provide the services to which clients;
- The pros and cons of current approaches to service delivery;
- A description of how best service provision should be operationally organized internally and through working arrangements with other institution or third party entities;
- A detailed analysis of how support services can be best organised to support front-line service delivery;
- Discussion of alternate service delivery mechanisms or operational improvement for each area of service;
- Information Technology requirements of each service;
- Human Resource and general capacity requirements of each service; and
- Risks and constraints of delivery, with mitigation plans.

### **Value in Developing a BM for an Organisation**

- Create and sustain a competitive business;
- Higher revenues;
- More satisfied customers and employees;
- Improved operational efficiency;
- Faster time to market; and
- Successful implementation of the institution's strategy.

## **Improving Operational Efficiency, Effectiveness and Service Excellence**

Ms. Kefiloe Monageng holds a BSC degree in Chemistry and Biochemistry, a national Diploma and B Tech in Information Management. She has been focussing on establishing business processes and operations, facilitating a quality management system, overseeing the content and institutional knowledge and providing, business analysis and support services. The presentation focused on processes followed to unpack operational challenges and designs for improving operational efficiency and effectiveness. Improving operational efficiency, effectiveness and service excellence includes five phases, mobilisation phase, analysis phase, design phase, recommendation and implementation. She was giving example on how they Improve operational efficiency, effectiveness and service excellence at TIA using the following phases.

**Mobilisation phase** - includes clarification of the project expectations, development of project charter and plan, establishment of project steering committee and team, development of the communication plan and change management strategy.

**Analysis phase** – Where interviews; observations; document studies; assessments; and benchmarking are conducted to understand the environment and situation. The McKinsey 7's model: Strategy, Staff, Skill, Structure, System, Style, Shared values should be adopted to assist with the analysis.

**Design phase** - Where multiple workshops, meetings, engagements, feedback sessions and presentations with management were conducted. The TIA also created a walk in room where everyone was allowed to enter and familiarise themselves with what is happening in the organisation

**Recommendation** – The recommendations are made based on the findings and they inform the direction taking into consideration the strategy, risks and all the enabling activities.

**Implementation** -Includes the changeover from the old to the new because the old and new cannot run in tandem. Design and development of new processes/systems are completed before implementation.

## Facilitation as a Technique to Achieve Organisational Effectiveness

Mr Lourens Botha is an accomplished Leadership Development Specialist, Life Coach at Unlimited 4 Life and Motivational Speaker. Lourens studies under the leadership expert John C Maxwell He helps to empower leaders of industry, academics and organisations. He is also a qualified NBI Practitioner which allows him to interpret brain profiles of individuals and groups in order to fully understand the individual he is guiding to success. He presented an understanding of brain Profiles in the process of effective facilitation. He encourages people to understand their own profiles and the profiles of their team members in order to understand that each person has a unique profile and therefore a unique contribution to make to a team and to an organisation. Because if each person is utilized for their unique contribution and potential then organisational effectiveness will be inevitable. He took the participants through an exercise were they had to identify which quadrant and dimension of the brain they fall under. Each person have their own unique communication, problem solving, leadership, teaching and learning styles.

The Brain is divided into 4 quadrants and dimensions

L1 – Realist

- Accuracy
- Digging deeper into a problem
- Precision, Exactness, Focused
- Factual reasoning
- Objectivity
- Goal orientated

People who are L1 dig deep into a problem, they are goal and performance driven. A perfect example is Bill Gates.

L2- Analyst

- Planning
- Step-by-step approach
- Practical application
- Tradition
- Procedures, Routine, Rules
- Structure and follow guidelines

People who are L2 are very traditional. They follow procedures, Routine, Rules, Structure guidelines.

R1- Preserver

- Prefers the big picture
- Search for alternatives
- Ideas, Strategy
- No details
- Risk and Experimenting,
- Integration

People who are R1 loves to take risks and to experiment with new things, they prefer the big picture and searching for alternatives

R2- Organiser

- Need a People-environment
- Feeling orientated, Empathy
- Co-operation seeking
- Atmosphere of caring

- Body language

- Communication and Listening

People who are R2 need a people environment and they consider other people's feelings and wellbeing in everything they do.

He encouraged the team leaders, managers and supervisors to know their teams.

(For more detail on this presentation visit [www.saimas.org.za](http://www.saimas.org.za))

### **Closure and prize giving draw**

The SAIMAS Conference Organizer and Executive President, Ria Loubser thanked the presenters and distinguished guests for attending the 28th SAIMAS Annual Conference. Attendants participated in the prize giving draw and the lucky winners were given Prizes.

## **FORDISM – MANAGEMENT SUCCESS DRIVEN BY AN 8 HOUR WORK DAY**

By Leandri Lotz

### **Introduction**

This article addresses the introduction of the eight hour working day and its influence on productivity of the work force without sacrificing quality.

Henry Ford and more recently Steve Jobs will be forever remembered for their ingenuity in the field of managing Human Capital. Both men learned valuable lessons through past failures during the early days of their businesses, which they later on turned into huge leadership assets.

Although Ford stood out for his incredible achievements within the automotive industry, his love for mechanics, precision and efficiency originated from a childhood curiosity about the inner workings of a watch.

After disassembling a broken watch for a friend when he was merely a young boy, the mechanics bug bit him and he began fixing watches as a hobby. Growing up and running away from home to Detroit, he had big aspirations of mass producing cheap, yet high quality watches, because just as his philosophy was about cars in his later years, he felt that affordable watches should be for everybody and not just the elite.

As a young man Henry Ford was told that he would not last for 6 months in business, yet he went on to become one of the most successful entrepreneurs in world history.

### **Discussion**

Assembly line mass production:

Henry Ford was not the original creator of the concept of the Assembly line mass-production method, but through applying work study methods he made it into an absolute art.

In his business practices there were clearly defined processes based on the Method Study Procedure.

**Select** He had a clear vision of what he wanted to do and achieve.

**Record** He had a clear business plan where resources were recorded, accounted, costed and planned for in the finest detail.

<b>Examine</b>	He continually examined his processes, his materials and tools in order to improve his systems. He even had every step needed to build the Model T Ford memorized in sequence. A clear indication of his skillful passion.
<b>Develop</b>	The concept of zero waste was very important to him and therefore he developed machinery that utilized all resources to the maximum.
<b>Install</b>	He paid particular attention with regards to the installation of his work flow processes and he created a work environment where the health and wellbeing of the employees were prioritized. He determined the right talents to perform the right jobs and created a robust company in a relatively short space of time through his originality in this regard.
<b>Maintain</b>	He was constantly busy working on improvements on his product, because he felt that a breakdown of his car would be a personal reflection on him.

From the above-mentioned it is clear that these very basic principles forms the foundation of outstanding leadership.

### **Focus on quality**

For him mass production equated to quality, something that is totally absent in today's world of instant manufacturing.

The production lines of his factory were functioning on precision, because of his insistence that things are done correctly the first time. He wanted to sell the vehicles at the lowest possible price in order for the working class to also be able to afford the vehicles they were producing. In order to do so, there was no room for error or repetition of tasks.

Since he was also selling the vehicles to his employees, quality and customer satisfaction was very important to him and gave him the contentment of knowing that what he was doing was right and better.

He believed in standard, satisfaction and empowerment through building a team who got excited to go to work every day and to do their best.

### **The value of Human Capital:**

He understood the value of human capital and believed in treating his employees like family, by showing them that they are appreciated.

When hiring people, he disregarded all previous experience and qualifications and instead concentrated on people's interests and strengths.

He was more interested in a person's willingness to work, irrespective of their past and he was the first employer who gave people with a criminal record employment. His standpoint was that he hired the man and not his history and he made no distinction between the highly educated and the criminal.

He was also the first person who offered women, African Americans and disabled individuals jobs in the early 1900's.

Sources indicate that instead of terminating the services of badly performing or ill staff, he exposed them to wellness programs and medical treatment until they were able to be returned to their original jobs. This was ground breaking, because no other employer before had taken such an interest in the physical and mental health of their employees.

There was very little value for formal titles in his workforce, because he was of the opinion that it makes people feel superior and he treated everybody as equals, believing that everybody had a very important role to play and a valuable contribution to make to the company as a whole. Like the cogs in a watch, everybody had a purpose in his eyes and this is how he built the empire that was not only his own legacy, but just as much that of his work force. "Coming together is a beginning, keeping together is progress, working together is success. If everybody is moving forward together, then success takes care of itself".

### **Introduction of the 8 hours working day:**

The 8-hour workday was born from Ford's observation that workers are burned out from the repetitive tasks and the general perception of that era was that humans should basically keep working until their bodies gave in. He did not agree that this was the best way of being productive, but rather to work shorter hours, yet be more efficient causing less wastage of resources due to fixing mistakes caused by exhaustion.

Other reasons for this move were based on his family values where he felt that family should be able to spend time together and that working men should get enough rest. Therefore a 24 hour day was divided into 3 equal sections of 8 hours each, to ensure a work-life balance.

Not only did he reduce the working hours, he also doubled the daily wage to the dismay of the stockholders and when they refused, he bought them out, implemented his \$5 wage and soon he had more people lining up for work than he could employ. This ultimately led to production sky-rocketing and profits increasing despite him also decreasing the selling price of his vehicles.

Fordism forms the basis of modern economic and social systems in industrialized standardized mass production and mass consumption.

What his competitors thought to be a foolish philosophy turned out to be quite a stroke of genius, because it ultimately led to the stimulation of the American economy, through the need for infrastructure development and expansion of subsequent businesses such as gas stations. Transporting of goods was drastically sped up with the availability of affordable vehicles and this also stimulated production in all niches. This also contributed to the expansion of wealth of the middle class.

### **Productivity, quality and leadership – The essence of the man called Henry Ford**

Henry Ford had 4 key principles:

- 1 The absence of fear of the future.
- 2 A disregard of competition.
- 3 Service before profit.
- 4 Treating manufacturing as the process of buying materials fairly, converting them into a consumable product which is then distributed to the consumer.

Although this method used to improve productivity and aimed at the automotive industry, its principles can be applied in any situation. The standardization of processes, the quality of end to end production and the ability to break up tasks into smaller units forms the foundation of exceptional leadership.

While many would regard Henry Ford as an over-controlling micro-manager, his personal involvement in the work teams and assembly line systems meant that he could pre-empt possible challenges and mitigate risks before they reached critical proportions.

He was great at recognizing the potential shortcomings of systems and timeously making adjustments and improvements.

With his policy of treating employees fairly he left a legacy that is still lasting long after his passing in 1947.

### **Conclusion**

Henry Ford was not driven by money, but by passion, commitment and a desire to make a difference. For him money did not have any value other than being a form of exchange for the things that you really need. He embodied emotional intelligence which you would not expect from somebody who had not even completed his school education.

As with Steve Jobs, whether you like Henry Ford or not, the business principles he employed throughout his life stood the test of time and are still practiced in many successful companies all over the world today.

### **Quotes accredited to Henry Ford**

“Failure is only the opportunity to more intelligently start over again”.

“One who fears the future and failure, limits his activities”.

“Obstacles are those frightful things you see when you take your eyes off the goal”.

“There is no man living that cannot do more than he thinks he can”.

“Whether you think you can, or you cannot, you are usually right”.

“If there is any one secret of success, it lies in the ability to get the other person’s point of view and to see things from that person’s angle, as well as from your own.”

### **Resources**

Henry Ford’s own story - How a farmer boy rose to power that goes with many millions, yet never lost touch with humanity (1917) – Written by Rose Wilder Lane

Henry Ford documentary- Success story – Evan Carmichael

The great leader series: Henry Ford, Founder of Ford Motor Company – By Amy Gunderson

Henry Ford Autobiography – My life and work – animated book summary – Eudaimonia