

## ATTITUDES, STANDARDS AND VALUE MANAGEMENT

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### STANDARDS AUSTRALIA

The thrust for this paper came about as a result of debate surrounding the term "attitudes" as used in the draft Standards Australia OB/6 standard on value management.

One of the principle concepts was the determining of three critical success factors in the value management process. These were identified as:

- a) the methodology employed
- b) the attitudes of those involved
- c) the way in which the total process is facilitated and managed.

As chairman of the Standards Australia OB/6 committee it was part of my role to facilitate and ensure the prevailing concepts of the committee were reflected in the draft document. However as a psychologist I needed to point out the traditional philosophical "cognitive verses behaviourist" argument which has raged for years within the field of psychology.

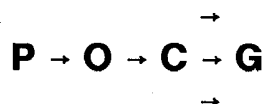
The fundamental questions which need to be considered in this context are:

- i) is it the "attitude" of participants in value management workshops that is important, or is it the behavioural manifestations of the "right attitudes" that is important. For example "commitment". "Commitment" is the displaying of behaviours like participating, active listening, arriving on time, talking positively, performing prescribed actions within prescribed time frames etc...?
- ii) is it the role of the facilitator to know, understand or manipulate attitudes; after all the facilitator is not a psychoanalyst.
- iii) if the behaviour representing "commitment" is there, is it important what the attitudes are? It is possible to "think" one thing and then to do another.

With all this in mind, and because of the significant number of comments on the draft, it was decided to change the term "attitude" to "commitment". I feel more comfortable with this!

On this basis then the only "manipulation" the facilitator needs to be involved in is that as described in a participatory formula I developed quite some time ago.

The formula is as follows:



In this situation "P" represents participation by those people who are involved in achieving a set of goals "G". Through their active participation in the decision process to attain those goals there will be "O" ownership to those decisions. Because of the ownership to those decisions there is commitment to the attainment of the goals "G".

*Implicitly then the role of the facilitator is to encourage participation by participants and therefore the ownership to arrive at the commitment. "Attitude" really is not an issue.*

### **ENTRENCHED ATTITUDES (OR BEHAVIOUR)**

*One of the things I like about the SA OB/6 standard is the flexible approach towards techniques, if not the methodology.*

*Essentially the standard says that so long as you follow broadly the methodology as described by Lawrence Miles that is the "Job Plan", facilitators and deliverers of value management studies can utilise any recognised techniques. This is a healthy approach and hopefully will encourage the development of far more techniques than currently are being applied to value management in Australia or in turn will encourage the transference of techniques from disciplines or the transmutation of techniques in other disciplines to assist in the delivery of value management studies.*

*But let's just consider when techniques become or are perceived incorrectly as, methodology. FAST Diagrams unfortunately fall into this category.*

*In the United States it is apparent after attending several of the Society of American Value Engineer conferences, the FAST Diagram is almost held in the same sort of regard as some "sacred incantations".*

*Many people forget that in the United States, apart from recent imports, quantity surveyors do not exist as a profession or as a discipline. There are cost estimators and cost accounts; but these do not have the same rigour in methodology as quantity surveyors. For that reason the FAST Diagram, I believe, evolved.*

*In many instances I have heard it said that a value management study has not been properly undertaken until a FAST Diagram has been completed. This is where technique is being confused with methodology.*

*As far as my own consulting company is concerned we discourage the use of FAST Diagrams or at least their creation in actual workshops. What we will do, on frequent occasions is to have FAST Diagrams worked on with the client. Several representatives of the value management study and/or workshop participants devise helpful FAST Diagrams prior to the workshop. We consider the FAST Diagram is a tool and a technique, nothing more.*

*Now briefly to talk about methodology.*

*Lawrence Miles in his posthumous years is rapidly gaining guru status. His methodology was very basic (although it does work because it is highly structured and has all the right ingredients).*

*However I am not convinced that other methodologies would not deliver the same if not better results in terms of meeting objectives specified within value management studies.*

*For example I am still not convinced that a simple strategic diagnosis with no functional identification, or functional analysis, followed by some creative thinking and evaluation of ideas, would not deliver results as good as the standard value management methodology.*

*I believe this area needs substantial research.*

The S.M.A.R.T. methodology, as will be mentioned again briefly at a later stage in this paper, also questions the Miles "Job Plan" and its uniqueness in delivering sort after "value management" objectives.

Please notice I am using the term "value management" and not value engineering; and that leads me to my next point.

#### **VALUE ENGINEERING AND VALUE MANAGEMENT ATTITUDINAL DIFFERENCES.**

Initially the SA OB/6 committee regarded value engineering and value management as the same.

I accept that the delivery of a value engineering and a value management methodology can be the same. I also believe that techniques used in delivering value engineering and value management can be the same and certainly the facilitator skills in the delivery of either value engineering studies or value management are the same.

The OB/6 committees pre-postal ballot draft has distinguished between value engineering and value management.

I might be able to assist in this distinction by looking at two slides in which we summarise value engineering as being a "hard systems" approach or and value management as being a "soft systems" driven approach.

#### **HARD SYSTEMS V.E.:**

##### **THE 5 "S"s "**

- Static versus dynamic design problems
- Same understanding of what functions are necessary
- Similar levels of functional performance for design alternatives
- Systems Engineering systems analysis driven
- Selection of preferred design through costing exercises

#### **SOFT SYSTEMS V.M.:**

##### **THE 5 "C"s "**

- Concepts reflect all stakeholders' needs
- Communication optimised between all parties
- Common Perceptions ensured for the "dynamic" design problem
- Consensus design solutions achieved
- Commitment gained from all stakeholders

This then brings me to the SMART VM methodology which does not really follow Miles "Job Plan".

In summary what I am saying is that the strength of OB/6 is that the standards are not absolute. This then leads me on to my next point and will probably be perceived as a piece of heresy.

### **SAVE IS METHODOLOGICALLY REPRESSIVE (MY ATTITUDES TOWARDS THIS)**

Currently my company, Value Management International employs four facilitators in Australia and abroad. Shortly that will double.

My advice to these facilitators is to go as far as AVS (Associate Value Specialists) but not to pursue CVS (that is Certified Value Specialists) as all this does is to encourage the professional domination of value management methodology.

The rules and regulations in the attainment of the CVS and the training that is required for it has enabled the SAVE organisation, and a few practitioners, to maintain a professional strangle-hold on methodological development of Value Management in the United States of America. In fifty years nothing really much has happened.

If anybody here has had the dubious pleasure of attending a SAVE conference you will notice that all the development that has occurred within the society and in general, has been in the area of techniques and not methodology. It has all been analytical, or software orientated and all within the context of the facilitator being an expert in the area that he is facilitating in. I have not been able to identify any meaningful advances in the areas of expansion of creative thinking nor on facilitator development.

This leads to my next area.

### **THE ATTITUDE FACILITATORS ARE BORN NOT TRAINED**

It is probably unfortunate if not timely, that recent publications are indicating strong scientific evidence and support for the genetists in the old heredity verses environment argument.

The implications of this is that training facilitators will only be of superficial assistance if the "personality and the mental capacity" is not there in the first place. The archetypal facilitator as we all know is the outgoing, gregarious, mellifluous, quick on the feet, efficient sorter of information person, blessed with a great short term memory.

I originally put forward a proposal that a facilitators course should be developed. This was done at the IVMA meeting in Melbourne. Subsequently Roy Barton has done an admirable job in the development of such a course.

On a different basis, perhaps tacitly accepting that facilitators are "born", I am developing an alternative course on value management at the Australian Graduate School of Engineering Innovation to open next year. It will be looking primarily at methodological issues, developing a theoretical basis for value management, looking at value management and value engineering as aspects of group problem solving at different points on the same continuum and also looking at inter-relationships between value management with partnering, TQM, and other group problem solving techniques and strategies.

Certainly I support the notion that if anybody has the basic attributes necessary for a facilitator they should under-go a thorough training course, especially if they have not been trained in the areas of human resources management, teaching or psychology. But perhaps I am also advocating screening tests of those people that carry out a facilitators course, based on certain personality and perhaps intellectual capacities.

The development of such tests would be relatively easy using regression analysis techniques on existing psychological testing material.

But while we are talking about facilitators let me now lead on to another topic which you might find even more controversial.

## **FACILITATOR OVER-EXPOSURE**

*The attitude, (or behaviours), of participants towards facilitators and of facilitators towards participants must be an area for serious study or least discussion in the immediate future.*

*My company believes that participating in a value management workshop is a learning process. The more a participant attends workshops the more he or she becomes with the process and the more sophisticated they are in terms of the delivery of the process.*

*I have also been a person who has argued strongly against the use of internal facilitators for a variety of reasons. These include:*

- \* internal political manipulations and machinations*
- \* inability to look at things totally objectively or to be perceived as looking at them objectively*
- \* lack of exposure to different organisations and different skills*
- \* general cultural incest.*

*My argument is now being extended to participants becoming over-familiar with any particular facilitator even if he/she is external to the organisation.*

*My company has and still is recruiting facilitators on a basis that they will "work a country" for a specific but limited period of time and then change not only clients but also countries. Changing clients of course can be beneficial to all parties especially if there is frequent interaction. But also changing countries I believe in the future will enable my team to be able to exploit cultural differences to everybody's benefit.*

*Correspondingly the facilitators that I am talking about also do not expose themselves or become specialists in one specific industry. The training they go through exposes them to the delivery of value management studies in the construction, manufacturing, and service industries; administrative services, organisation development, and strategic planning.*

*We have made a significant investment in our ability to have a variety of facilitators for the reasons mentioned above. But also because the facilitators themselves become over exposed to one or several organisations.*

*This leads on to my last topic for brief discussion and that is the role of the professional association. Do we need to have one? Can the market look after itself?*

*In general I support the notion of the professional association so long as it is dynamic.*

## **THE IVMA ATTITUDE NOW AND IN THE FUTURE**

*It is my belief that the IVMA must allow criticism of itself, various aspects of value management, methodology and delivery.*

*IVMA must encourage development of methodology and of course new techniques. It must constantly look towards new approaches.*

*Most importantly it must ensure that individual vested interests are not the super-ordinate considerations in the delivery of value management services to clients.*

*Possibly one of the hardest things that the IVMA will have to contend with in the future is its ability to be flexible enough to adapt to changing member needs at a macro level.*

*It is not impossible that some time in the future there will be a requirement for a professional*

*association that really specialises in group problem solving and will see value management as only one mode of delivery for group problem solving. It will also recognise partnering, TQM, participatory strategic planning and other such methodologies and problem solving strategies as falling under one banner.*