

Manpower Development Service Small-firm consultants in the USA

Training in South Africa

The Hudson Report and Education

Manpower Development Service

by GARY B HANSEN MARION BENTLEY JOHN R CRAGUN

consultants to small and medium sized employers

This article is based on a paper presented at an international conference in Norway. Having read in ICT about the work of the Small Firms Management Centre at the Sheffield Polytechnic, Gary Hansen wrote to us to tell us about similar work underway in the US.

WHILE MDS AS AN EMPLOYER ADVISORY AND CONSULTING service has drawn ideas from the above-listed programmes, it has distinguished itself by going beyond their more limited objectives and/or perspectives and greatly expanded knowledge in the areas of clarifying and defining the catalytic role of a manpower consultant, performing a broader range of management and organisational development work, and in developing and applying a systematic evaluation methodology in the measurement of the value and impact of the services provided on the client organisation and its employees. These qualitative differences, operational findings, and related issues provide the substance for this article.

The Department of Labor has given MDS the mandate to:

- determine the manpower problems facing employers in the Rocky Mountain area of Utah and surrounding states;
- determine the demand and need for diagnostic employer services among employers in the same geographical area;

- determine the ability of a small research and consulting staff to service the target population from a univesity base;
- determine, if possible, the impact of services provided by MDS based on objective and subjective evaluation criteria – changes in reaction, learning, and behaviour of employers and employees, plus changes in morale, motivation, job satisfaction, productivity, profitability, employee rosters, and related manpower indices;
- explore the possibility of alternative sources of funding MDS from various private and public sources.

MDS was originally conceived of as a diagnostic and advisory service which would send consultants into a firm, when the employer requested help, to determine the state of the organisation and its employees by such analytic means as interviews, questionnaires and surveys, work and production flow observation, job and task analyses, various kinds of personnel audits, and a comparison of the performance of

Manpower Development Service

the client employer against similar kinds and sizes of firms within the same or a related industry. MDS' concepts of helping employers to help themselves (which in effect rejects any strong dependence development between firms and MDS), and serving as a catalytic agent to multiply the effect of its initial diagnostic and advisory service with firms were stressed very heavily. To avoid duplication of services, MDS sought also to play the role of broker by referring clients to agencies and organisations for specific remedial assistance beyond the diagnostic phase when an employer's problems and concerns were identified and could be matched up with existing services provided elsewhere.

Although these philosophical notions have not been rejected, they have been modified in practice. Experience has indicated that it is difficult for many employers to assume a self-help posture. This is especially true of those who employ between 25-500 workers and have little or no specialised personnel function. Existing resources must be freed to perform the role of liaison and eventually internal consultant, but in the short term at least, those resources can only rarely be spared. Furthermore, permanent, long-term change requires at least six months to a year of involvement before the client organisation has internalised the change elements of commitment, evident programme success, continuity, and security required to maintain it. Also MDS has been forced into assuming a more active implementation role as few existing consulting and service organisations in the locale have the resources, inclination, and abilities to service referrals made to them by MDS on behalf of its clients.

What has emerged as a result of our experiences is an employer and organisation consulting service expending its resources in four fairly distinct areas of activity:

- Marketing and outreach activities. Group presentations, surveys, contacts with referral sources, general public relations, and initial contact or contacts with a potential client before actual consulting begins.
- Diagnostic and analytic activities. Interviewing; developing, administering, and evaluating questionnaires and a range of surveys (morale, wage and salary, organisational health); observing work and production flow and worker behaviour; analysing jobs, tasks, structural characteristics, superior-subordinate relationships, utilisation of manpower and other resources; auditing personnel, training, and other functional files and procedures; comparing a client's firm with other kinds and sizes of organisations in the same or a related industry; and interacting with the employer to identify and prioritise areas of concern and to develop remediation strategies and tactics, and above all, to secure commitment to make needed changes.
- Remediation and implementation activities. Training and development activities, including management training and development; wage and salary and job classification surveys and the development of more efficient, effective methods to recruit, test, select, place, orient, train, evaluate, and

promote personnel; career mobility models; organisation development (OD) workshops stressing team building, cooperative problem-solving, conflict resolution, communication skill development, change strategies and technologies, and effective resource utilisation; and evaluation and feedback of positive and negative results to reinforce or modify as the specific case requires.

• Evaluation activities. The systematic collection and analysis of organisational and behavioural data from client employers and their employees both before, during, and at periodic intervals after MDS involvement. These data provide indicators of organisational health, particularly as they relate to the effective utilisation of human resources and help to determine the impact of MDS involvement on the organisation. The evaluation activities have received considerable emphasis because of the research objectives set out for MDS by the US Department of Labor. Furthermore, these endeavours represent one of the first comprehensive attempts being made in the US to measure the impact of training and other changes in manpower management practices on organisations.

MDs has been in existence for just over two years. It was formally created and funded in July 1972 and has been operational for approximately 21 months. During that period of time, it has had some contact with or worked in some capacity with 94 firms and other client organisations - 58 at the outreach level, 22 at the diagnostic level, and 14 at the implementation levelt. Of these organisations, 84 were in the private sector, nine were Government agencies of one kind or another, and one was a public utility. In size, they ranged from ten employees to 2000 with an average of 153 and a median around 120 employees. Fifty-six per cent of the private firms worked with were either family operations, or were controlled by one family; 44 per cent had affiliations to a parent company; an overwhelming 89 per cent used on-thejob training to train, develop, or upgrade their workforce; and 71 per cent had never used consulting services of any nature, previously. In summary, MDS is working primarily with small- to medium-sized firms with a comparatively low level of managerial sophistication and little formal training and development. Slightly more than half of the firms are family owned or operated.

MDS has worked beyond the outreach phase with 36 of the 94 firms contacted, a 38 per cent success ratio. Those firms and organisations wishing no further contact or involvement have done so for a variety of reasons: no problems or relatively minor problems were perceived or identified by MDS consultants; consulting services were available through a

[†] If one assumes that all firms at the implementation level have also passed through the diagnostic and outreach levels, and those at the diagnostic level through the outreach phase as well, then 94 firms would have received outreach activities, 36 diagnostic, and 14 implementation.

[†] This figure is most likely overstated because nearly half of the firms surveyed did not respond to this question.

parent company or elsewhere; problems identified, eg, financial, budgeting, marketing, product design, engineering, were considered outside the purview of MDS objectives; Government-sponsored programmes were distrusted or university-related programmes were viewed as impractical, lacking a grasp of the realities of the business world.

Of the 36 firms worked with at the diagnostic level, 14 carried involvement over to an implementation activity – a carryover of 39 per cent). Organisations disengaging after the diagnostic phase commonly did so because they and MDS felt that internal organisational resources could be applied to remedy the problems and concerns identified through diagnosis; because other existing resources could be applied to the remediation effort; because the proposed implementation activity would exhaust MDS resources, allowing little or no activity with other clients; and because some employers merely wanted the face validity of a written diagnostic report or because they had objectives or expectations that were satisfied at the diagnostic level of involvement.

Involvement with the 14 firms at the implementation stage ranges from less than one month to more than one year, with the average and median close to six months. Of the 14 firms worked with at this level, eight have requested a continuing involvement with MDs to ensure that mutually planned change occurs, or they have desired a periodic recontact to investigate and help remedy a particular or critical concern.

At this stage of professional development and with a fairly substantial sample of client and contact firms providing the necessary data, MDS is in a position to begin drawing tentative conclusions and findings that address the Department of Labor's research interests and other areas of importance and concern.

perceived problems

The problems concerning the workforces in approximately 60 of the organisations MDS has worked with have been tabulated and reproduced in summary form (see table 1). In 54 of the 60 organisations, turnover was regarded as a somewhat serious to a very serious concern; in 29, hiring/recruiting/ selecting were identified as major areas of concern; in 27, training and orientation were listed; and in 23, absenteeism and abuse of sick leave were regarded as serious problem areas. Some problem categories such as poor work attitude did not attract many responses, but in those organisations where it was a problem, it was a very serious one (nine out of 13). It is probably very natural that most employers viewed their employees as the source of most of their concerns and did not identify themselves as part of any serious problem in their organisation. Thus, communications, cooperation/coordination, fear of boss, manager sensitivity, morale, motivation/dedication, quality of work and product, and supervision - all areas requiring direct superior/subordinate relationships and involvement - were typically downgraded. MDS, on the other hand, during the course of its diagnostic and analytic work with these firms found many of these areas

of great concern to employees and often identified them as the causes of serious problems. As a result, MDS was faced with an extremely difficult task – one requiring a high degree of interactive and diplomatic skill – of sensitising the employer to the notion that he was very often part of the problem in his firm, as well as the chief and critical element in its resolution. This interaction with employers for the purpose of designing strategies of change and commitment to its implementation became the critical change variable in work conducted with firms at the diagnostic and implementation levels.

Table 1

HUMAN RESOURCE PROBLEMS IDENTIFIED

BY EMPLOYERS

	Some- what serious	Serious	Very serious	Total
Turnover	15	30	9	54
Hiring/recruiting/				
selection	11	16	2	29
Training/orientation	12	10	5	27
Absenteeism/sick leave	7	13	3	23
Productivity	10	8	1	19
Motivation/dedication	2	10	- 1	13
Attitude	3	1	9	13
Supervision	6	5	2	13
Communications	5	2	4	11
Cooperation/				
coordination	4	3	3	10
Manager sensitivity	2	5	3	10
Labor pool characteristics	6	3		9
Wages/salaries	2	3	2	7
Morale	2	2	2	6
Union	1	4	1	6
Non-personnel problems	3	3		6
Quality of work and				
product	4	1		5
Rapid growth	2		1	3
Maintenance .	1	2		3
Fear of boss			1	1
Wasting time	1			1

demand for and need of MDS services

The problems in table 1 identified in employers' organisations and the field work in all 94 organisations contacted and worked with by MDs staff members have established the existence of human resource problems and concerns that are largely not addressed or treated by internal or external

resources. Often, as was mentioned above, the problems are misdiagnosed, causes are confused with their symptoms, employers (and employees, for that matter) are unable to see where they might be a contributing factor to a problem rather than its unwitting victim. These conditions and situations seem to confirm the need for a diagnostic and advisory service available to the kinds and sizes of organisations that would not, or at least have not, received this assistance elsewhere.

Of the 94 firms contacted, 36 per cent requested involvement beyond the outreach contact. Of those 94 firms, 39 contacts were initiated by MDS; 45 were referrals from cooperating agencies and organisations aware of problems in firms they were acquainted with (the majoraty of these referrals have come from the Utah Needlecraft Industry Association (UNIA), the Utah State Employment Service, NAB-JOBS, Industrial Services Division of the University of Utah, and Utah State University); and ten approached MDS directly with requests for consulting and employer services. The use of a trade or craft association, in this instance the UNIA, as an outreach agent for MDs has been a successful and effective means of advertising the availability of employer services. It has also served to enhance the credibility of MDs staff consultants in that particular industry; they were introduced and recommended to member firms as experts in the concerns, problems, and processes of the industry. Similar experiences have resulted from the use of Employment Service, NAB-JOBS, and other service agencies as outreach agents.

The most effective and efficient means of contacting employers is, as one would expect, when they initiate contact with MDs for specific services and assistance. The least effective outreach method, which again is not unexpected, is the initiation of contact by MDs staff members without prior knowledge on the part of employers of services available, capabilities, and track record. Nearly 60 per cent of all employers contacted, however, reacted moderately favourably to very favourably to MDs at the outreach level, with almost 50 per cent in the considerably favourable to very favourable range. When just employers worked with at the diagnostic and implementation levels are considered, the figures reach 90 per cent and 60 per cent respectively.

ability of MDS to service needs from a university base

MDS has been able to expand its volume of business with very little marketing and promotional effort. The small, three-man consulting staff has found its resources easily exhausted by the needs and demands of a relatively few employers and has, therefore, attempted to balance implementation activities with diagnostic and outreach activities. This situation has led MDS consultants to concentrate on analysis and diagnosis, but to assume an implementation role when no other consulting resource is available and MDS involvement is critical to the change process in a client firm, or when MDS research objectives would be furthered by such involvement.

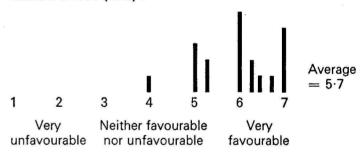
The university has served MDS well as a base of activity because of its research facilities and its name and reputation, which lends credibility to loosely linked programmes housed on its campus. In the case of Utah State University, it has been useful for MDS to be compared to existing extension activities and services provided to rural and agricultural interests of the state. Furthermore, the university has given MDS the flexibility and autonomy to be creative and innovative, unlike the experience of some of the upgrading and other employer-oriented services housed in more bureaucratic and rigid structures. Also, many of the consulting and advisory staff are attracted or committed to the university setting and would be uninterested in moving or unable to leave. The

Table 2

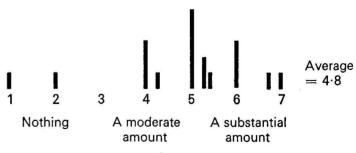
SUMMARY OF 19 CLIENT ORGANISATIONS EVALUATED TO DATE

(These questions were completed by the working contacts in each organisation – usually the general manager, middle manager, or personnel director. Each block on the graph represents one firm.)

What was your reaction to the Manpower Development Service (MDS)?



How much did you learn from your involvement with MDS which would be beneficial to you or to your organisation?



In your opinion, was the amount of time you were involved with MDS:

Too short - 9 (47 per cent)

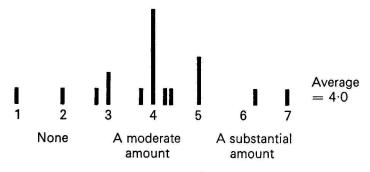
Just right - 6 (32 per cent)

Too long - 3 (16 per cent)

No response - 1 (5 per cent)

location and hybrid make-up of the MDS staff, ie, faculty members interacting with full-time operational team members, has served to provide an effective bridge between the employers' real world problems and the academic research and teaching carried out in the university's business school. Balanced against the argument for the university as a base for MDS is the real concern that efficiency is diminished by substantial travel time required to reach most employer clients in the more populated regions of the state. On the other hand, one can argue that effectiveness might well be diminished if MDS is pulled out of the university environment and placed in a state agency or alternative structure in a more populated metropolitan area, even if efficiency is increased.

How much of an effect did MDS have on your organisation?



What was the nature of the effect MDS had on your organisation?

Negative - 0

Neutral - 7 (37 per cent)

Positive - 12 (63 per cent)

Summary of 23 respondents from the 19 client organisations evaluated to date.

Are there some things that MDS did not do with your organisation that you think they should have done?

No - 11 (48 per cent)

Yes - 12 (52 per cent)

Are there some things that MD3 did in your organisation that you think they should not have done?

No - 21 (91 per cent)

Yes - 2 (9 per cent)

Would you like to have further contact with MDS?

4 (17 per cent)

Conditional Yes - 2 (9 per cent)

Yes

- 15 (65 per cent)

Do not know - 1 (4.5 per cent)

Does not apply - 1 (4.5 per cent)

evaluation, impact of services, case histories

An MDs evaluation specialist has contacted 19 of the 36 business firms and other organisations worked with beyond the outreach level in an attempt to determine the impact of MDS services on the organisation and its personnel. The results are summarised in table 2. Of the 19 employers, 18 reacted favourably to very favourably to MDs assistance: 17 felt they learned from a moderate to a substantial amount from their involvement; and 13 felt that MDS had at least a moderate effect on their organisation, that some significant and positive change had occurred. Of the 23 employers interviewed in the 19 organisations, 12 felt that MDs did not do all that could have and should have been done to assist their organisations. The majority of these respondents, perhaps ten of the 12, felt that MDs should maintain contact with their organisations and follow-up on change strategies initiated, or that MDS should actually implement these change strategies. Only two interviewees felt that MDS had done or initiated something that should not have been attempted. Seventeen indicated they would like further contact with MDs. In addition to the subjective and anecdotal evaluation of the impact MDs has had on employers and their employees, a formal statistical evaluation system is under construction, which when completed, will provide valuable data correlating MDS input and activity variables to organisational output and performance variables. Additionally, the attempt will be made to identify critical change characteristics and relationships: the kind and size of organisation, the rate of growth or decline in business activity, the kinds and degree of existing problems, the kind of management style, what kind of structural configurations lend themselves most readily to receptivity to employer services and ultimately to change that supports manpower (and other national priority interests) policies and objectives.

In summary, a substantial majority of the organisations receiving diagnostic and advisory services from MDS have indicated that the experience was positive and valuable. Although it is difficult to isolate any effect these services might have on increased productivity, profitability, employment, decreased turnover, absenteeism, and similar dysfunctional work behaviour, a substantial number of employers MDS has serviced maintain that such has been the effect and net result. We hope that our evaluation system will provide more adequate numerical and statistically significant evidence of these effects. In the interim, some selected case study material has been included which illustrates the point.

Baker and Brothers, Inc

(Firm's true identity has been disguised)

Baker and Brothers, Inc, a manufacturing plant employing approximately 150 workers, through a previous contact with MDS indicated a need and desire to establish better working relationships among management, supervisors, and workers.

Manpower Development Service

Baker and MDS mutually decided upon a workshop to address the goals of:

- strengthening the job of the supervisor;
- strengthening the supervisor himself;
- building closer and better working relationships among the members of the management team;
- developing a greater commitment to its employees on the part of the firm, and to the firm on the part of the employees;
- building better communications. A six-session workshop was developed and implemented to address these issues. Following the workshop, Baker and Brothers, with assistance from MDs, developed a questionnaire to evaluate the workshop (table 3). The general rating given the workshop was very good to excellent by nine of the 11 workshop participants. Topics discussed, speakers and facilitators, relevancy, and related areas were rated equally high. Ten of the 11 felt they were doing some or many things differently as a result of the workshop, and nine of the 11 saw improvement in work-related behaviour and relationships.

When asked what they were doing differently (question δ), participants responded with the following comments:

- there are better communications now, upward and downward. Orders are made clear; people are listening better. (Five responses)
- we are working together better now; there is more teamwork. (Four responses)
- I recognise problems more clearly now and know how to begin solving them. (Four responses)
- foremen do their own hiring now. (One response)
- there is more working foreman involvement in decision-making. (One response)
- I set immediate and long-range goals. (One response)

Workers had benefited directly and indirectly by changes in their supervisors. Participants commented that:

- the men feel more free to discuss problems; there are better communications with supervisors. (Three responses)
- their attitude and morale seem better. (Three responses)
- there is more teamwork in problem-solving. (Two responses)
- they accept more responsibility. (One response)
- the men are happier (One response)
- we are putting employee ideas into practice. (One response)

A most beneficial development at Baker and Brothers is the assumption of MDs functions by one of their staff members – an internal change agent and consultant, if you will. It was this individual who designed and administered the evaluation

questionnaire (table 3), and he is currently working in conjunction with MDS consultants in developing follow-up workshops for all levels of the firm's employees.

Table 3

QUESTIONNAIRE MANPOWER DEVELOPMENT TRAINING SESSION

Baker and Brothers, Inc.

,	Excellent	Very good	Good	Fair	Poor
What would be your general rating of the course?	1	8	2 (18 %)		
How would you rate the manner (skill) of precentation of the speakers?	2	8	1		
How well did the speakers use their audio visual equipment?	4	4	2	1	ä
What would be your rating of the value to you of the topics discussed?	1	7	3		
How would you rate your interest in the topics discussed?	4	5	1		

How would you rate the workshop on theory versus practical?

- too much theory one (nine per cent)
- OK ten (91 per cent)
- too much practical nought

List three specific things you learned from the workshop

Are you doing things differently now because of the workshop?

- many things different one (nine per cent)
- some things different nine (82 per cent)
- nothing different one (nine per cent)

Please list briefly some examples of the above.

Have you noticed any improved behaviour in the workers due to the fact that their supervisors attended the workshop?

- much improvement nought
- some improvement nine (82 per cent)

no improvement – two (18 per cent)

Please list briefly some examples of the above.

Please write below any additional comments on the workshops.

Lady's Apparel, Inc

(Firm's true identity has been disguised)

Lady's Apparel, Inc, is a women's apparel manufacturer employing approximately 200 people, mostly women power sewing machine operators. Lady's Apparel was referred to MDS as a result of a presentation to and cooperative action with the industry trade association, Utah Needlecraft Industry Association (UNIA). MDS' subsequent involvement with Lady's Apparel over a period of a little more than one year is sketched below.

diagnosis

Interview and observation data provided the foundation for discussions and interaction with two of Lady's Apparel's managers (production and assistant production manager) leading to fairly extensive structural and relationship changes, an alternative method for recruiting and selecting machine operators (a change which has substantially reduced turnover), an internal bid system for promotions and job vacancies, a focus on new training and orientation methods, and a commitment on the part of the production manager to delegate more responsibility and authority to her supervisors.

UNIA geographic workshop

Two Lady's Apparel assistant managers attended a problemsolving workshop for UNIA members. Eleven firms sent 23 managers and supervisors to a six-session workshop addressing the problem-solving process, team-building, communications and listening skills, and essentially the same format as the Baker and Brothers' workshop discussed earlier. The two assistant managers from Lady's Apparel were attending out of interest in the topics and learning process and also to prepare themselves to help design and implement an in-house workshop for Lady's Apparel supervisors.

Lady's Apparel in-house workshop

Twenty-five Lady's Apparel supervisors attended an eightsession workshop jointly designed and implemented by MDS and Lady's Apparel (one of the assistant managers, noted above, has assumed an internal consultant role and has been instrumental in developing and administering questionnaires, surveys, training programmes, and the like). The objectives of this workshop were to:

strengthen the supervisors and their positions;

- develop cohesive links among worker, supervisor, and manager;
- develop specific skills of leadership, initiative, problem-solving and decision-making, communication, and cooperation.

All 25 supervisors reacted favourably to very favourably to the workshop and indicated transfer from the workshop to the workplace had indeed taken place. The following are some of the comments received:

- 'I try harder now to get along with people I disagree with. I try to see their point of view'.
- 'My manager delegates more responsibility now; she permits growth to take place'.
- 'Morale, people's attitudes have improved enormously'.
- 'We're listened to now, and I think we also listen to each other and to the people we train and supervise'.
- 'We've been given the support and authority we need to carry out duties'.
- 'I'm more aware of problems, conditions, issues, people's needs now'.
- 'We work together, coordinate together much better'.

diagnosis

While evaluating the in-house workshop, MDS consultants identified a particularly critical problem involving the distribution of work materials and conflicts among the people responsible for that function. Lady's Apparel's production manager asked MDS to make a thorough diagnosis of the situation and to make specific recommendations for its remedy. While this involvement is in an on-going state, it appears that some significant changes in structure, job design, and work responsibility will definitely result from this consulting activity.

Lady's Apparel is a significant client for MDS in a number of respects. One, is the number and variety of activities conducted and services provided to them. Another, is the length of time in contact with them in one form or another. Still another, and most significant, is the real and apparently permanent change that has resulted from diagnostic and implementation activities - structural change; delegations of authority and responsibility; hiring, firing, promotion, and training practices; work rule revision, plant-wide morale and attitude change - measured on Likert's PROFILE OF ORGANI-SATIONAL CHARACTERISTICS and moving steadily from Systems One and Two to Systems Three and Four, a more open, participative work climate; assumption of problemsolving and decision-making by operators and supervisors at all levels in the organisation. Equally important are bottomline results at Lady's Apparel: a substantial increase in productivity, a 30 per cent increase in profits, and a 30 per cent increase in employment - more than 75 new workers have been hired in the past two months alone. Many of these results are due to the joint MDS/Lady's Apparel development efforts.

institutionalisation, costing of MDS services

These issues are presently being met head-on by MDS. US Department of Labor R & D funding will be gradually phased out after 31 August, 1975. The research results of the project will then be considered at the national level for incorporation into the nation's manpower policy and for wide dissemination, if warranted. On the basis of our work to date and the findings summarised above, what will or should be our recommendations? Should MDs be continued? All evidence points to a strong need and demand for its services. Should it be housed at the university? At a state agency? Or should it be cut loose from public support completely and function as a private consulting service? Should it charge for its services? Or should it claim legitimate subsidised support for services directed to the small- and medium-sized firms relatively untouched and unclaimed by existing consulting services, which consider this work unprofitable? What mix of services should be made available? Should they be limited to manpower-related services, or encompass the full range of consulting services? Should the provision of services be limited to private sector employers or include the public sector as well? While no clear answers have materialised to these questions, some observations can be made based upon

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The Training School is situated in the Midlands at Cannock, near to the M6. Following is a list of the regular courses – indicate which are of particular interest and we will be pleased to send full details.

I would like more do MANAGEMENT APPRECIATION BASIC SYSTEMS COMPUTER OPER PROGRAMMER TI	ATIONS – an introduction to supervision	
Name	The state of the s	
Position Address	Company	
(O)	MPUTER POWER	ICT.4

the MDS experience. First, there are strong arguments that can be made to support the notion that clients will value more highly, and hence be more likely to implement, the advice given if they have to pay for it. On the other hand, for the clientele MDS is dealing with, ie, the small- and medium-sized firms, any attempt to exact the full cost for services at the outset would prevent the services from being utilised extensively - either requested or delivered. (It is instructive and interesting that a number of employers have offered to pay for services received after they have been received or after they have received some services and have perceived the value of them.) The nature and circumstances of the employers being dealt with would, in most cases, preclude their seeking such help, and the attitude and position of unsubsidised or private consultants is such that they will not or cannot spend their time with a category of employers unable or unwilling to pay the full market price demanded. A look ac the clients served by other consulting organisations that have moved from a subsidised to an unsubsidised status well illustrates this point. But what is the justification for subsidising all or part of the services to this particular category of employers? MDs experience would suggest two valid and important reasons for doing this: public manpower policy objectives of improving the quality of working life, facilitating the development and utilisation of human resources, including special target groups such as the disadvantaged and minority groups, will be furthered; and economic development objectives embodied in the creation and expansion of healthy and productive enterprises will be fostered.

The foregoing discussion argues for providing subsidised consulting services to clearly defined categories of employers in the furtherance of specified public policy objectives. The tentative conclusion to be drawn from MDS' experience is that the benefits derived from the provision of these services will outweigh their cost and, consequently, arrangements should be made for the continued delivery of these services in Utah and elsewhere in the United States. During the coming year, we hope to have more evaluation data which will provide support for (or against) this tentative discussion.

Regardless of whether MDs retains its present identifiable form or is metamorphosed into a different creature or disappears completely from the manpower service delivery system scene, the groundwork has been laid for additional investigation and research. This particular model holds much promise for application in the developing countries where limited consulting resources, low-level development of management sophistication and technical expertise, questions of initiative, incentive, independence (from internal and external sources), funding, and other issues approximate to those encountered by the MDS group. Also, as this programme has shown, there is substantial need and demand among the developed countries for this approach, even among some of the larger and sophisticated organisations, although it is perhaps more appropriate to concentrate these services on those who would not or could not otherwise avail themselves of them. *