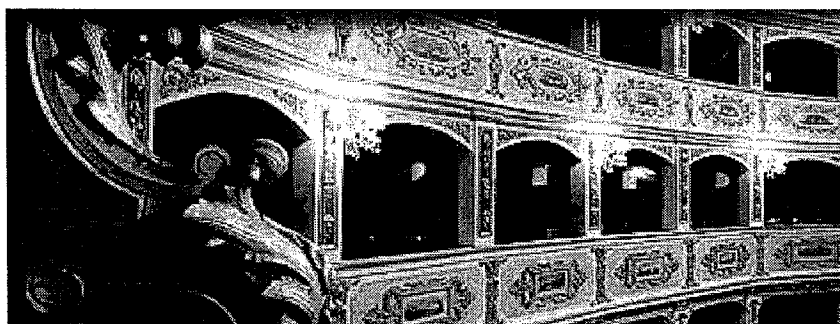


# HUMAN RESOURCE AUDIT TEATRU MANOEL

January - March 2007



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## Introduction

According to the editorial of *Open Stage* (January/February 2006), Opera Companies spend a lot of time contemplating the future. In doing so a number of questions are asked...though the answers are very often limited.

"Management has never been an especially sexy subject in opera, but judging by the messy round of regime changes that has swept across the operative landscape over the past few months, it is one that urgent needs to be addressed. One consequence of a world in which public subsidies are falling and sponsorship is being spread more and more thinly, is that the skills required by an individual; to run an opera house have become very complex indeed: you need a passionate, creative soul who has a shrewd business mind and in a consummate politician." *Open Stage* (January/February 2006),Pg 4.

Manoel Theatre is certainly not an exception to the rule. Being a National Theatre, one also understands that further pressure is placed on the Committee of Management to pursue with decisions which may not necessarily make business sense.

This report highlights the fact that immediate action is required in order to ensure that within the shortest time possible the Theatre would embark on a long but steady track which can guarantee success both at national as well as international level.

## **Terms of Reference**

Idea Management Consulting Services Limited was commissioned by the Management Committee of Manoel Theatre to carry out a study in order to assess:

- The current strengths and weaknesses of the organisation and to identify how internal factors could have a strong bearing on the organisational future success;
- The current competency levels of personnel within the organisation and to carry out a Gap Analysis between what is expected from them and what they are actually trained to deliver;
- The current internal practices including the management of operational and strategic issues in alignment to the organisational strategic plan.

## **Methodology**

In carrying out this management audit and fulfilling the obligations which have been set in the terms of reference, we have interviewed every employee currently employed on part-time and full time basis as well as looked into various documents which were made available to us by top management as well as by various other functional managers.

In addition, we have also interviewed third parties who either made use of the Manoel Theatre in the past or else still make use of the Theatre for their theatrical and/or musical performances.

## Terms of Reference 1

*The current strengths and weaknesses of the organisation and to identify how internal factors could have a strong bearing on the organisational future success;*

### The Current Scenario

It is overtly clear that current organisation structure is marred with a number of shortcomings ranging from strategic issues to management issues as well as to daily operational issues. Due to these shortcomings, the Manoel Theatre, or at is commonly referred to as the Theatre is in dire straits and immediate action is required in order to ensure that it will upkeep its standards and reputation it has enjoyed in the past.

It is imperative to note that one of the major constraints of the Theatre, which in my opinion overrides all other problems, is the fact that it does not enjoy a legal status. This implies that although the Management Committee is empowered to take its own decisions, these are not binding by law. In addition, looking into the Financial Statements, it becomes clear that the Theatre has no fixed assets in its Balance Sheet. Further more, any expenditure made on capital improvement is not reflected in the Theatre's Balance Sheet.

It has to be pointed out that the Theatre and the National Orchestra are two separate and independent entities. This seems to be a unique situation since most of national theatres and orchestras around the world are within the same entity.

Notwithstanding these constraints, in the course of the past years, various Chairmen and Management Committees have carried out excellent work and as a result the Theatre has built a strong and high level reputation amongst its local and international clients.

## **SWOT Analysis**

In meeting this objective a SWOT Analysis was carried out between January and March 2007. This SWOT Analysis which is an accepted management tool gives a clear picture of the current state of affairs of the organisation. The conclusions reached in this SWOT Analysis are the result of meetings with different stakeholders.

### **Strengths:**

- Undoubtedly one of the major positive attributes of the Theatre is its long standing history as well as its structural layout which makes it unique in Europe;
- In the past years, the Theatre has acquired a long standing reputation amongst its local and international clients.
- Most of the employees have been working within the Theatre environment for a number of years and as a result they have acquired high level of skills while at the same time built personal reputation with clients.

### **Weaknesses:**

- The Theatre does not have its own artiste's ensembles and as a result in most cases it is dependent on third parties to sustain its programme;
- One of the major weakness is that the Theatre and its Management Committee have no legal status;
- The Theatre has a limited seating capacity and as a result this limits the cost/income ratio on different performances;
- Notwithstanding the fact that the Theatre is an independent entity, it has follow to governmental procedures in its operational issues, including recruitment and selection and financial management procedures amongst others;
- It is also pertinent to state, that the majority of employees within the Theatre have not been trained to upgrade their skills. Notwithstanding this, most employees are dedicated to their job and to the Theatre as a whole;
- A number of employees on loan may not be ideal candidates required since they lack the necessary competencies and motivation required.

### **Opportunities:**

- It is overtly clear that the physical layout and set-up of the Theatre has an outstanding potential which can be exploited much further amongst tourists wishing to tour the Theatre as well as other Maltese who are Theatre lovers;

- The Theatre can align itself with Tour Operator(s) to exploit Cultural Tourism which is becoming more popular in various European countries;
- The Theatre can also develop educational projects with different schools in Malta, Gozo as well as other countries to encourage students attend the Theatre on regular basis;
- Undoubtedly, the Theatre can look into various other opportunities to ensure a steady income. These include amongst others, tours, publications, exhibitions and an array of other cultural and theatrical activities which cannot be offered by any other cultural entity in Malta;
- It is also evident that the Theatre can exploit its reputation and build better bridges with international theatres around the globe;
- The Theatre can also look into EU funded projects and opportunities. Looking into the various EU projects, it is interesting to note that the Theatre can act both as a player as well as a leader in various cultural projects/initiatives which are being taken from time to time by various international organisations;

**Threats:**

- One of the biggest threats is undoubtedly popular entertainment being provided by new emerging establishments around the Maltese islands. These establishments offer more interactive and popular entertainment which attracts much higher audiences than the theatrical and classical performances;
- It is also evident that to-day, theatrical and musical performances do not require a traditional physical setting such as the Theatre any more. In fact, in the course of the past months we have noticed a number of musical performances which took place in open air with natural setting. These activities are becoming more popular since they attract a wider audience;

## Conclusions from the SWOT Analysis

This SWOT Analysis gives a clear picture that currently the Theatre is in dire straits and immediate action is required in order to ensure that it will once again lead itself a successful path.

From the above SWOT Analysis the following conclusions could be reached:

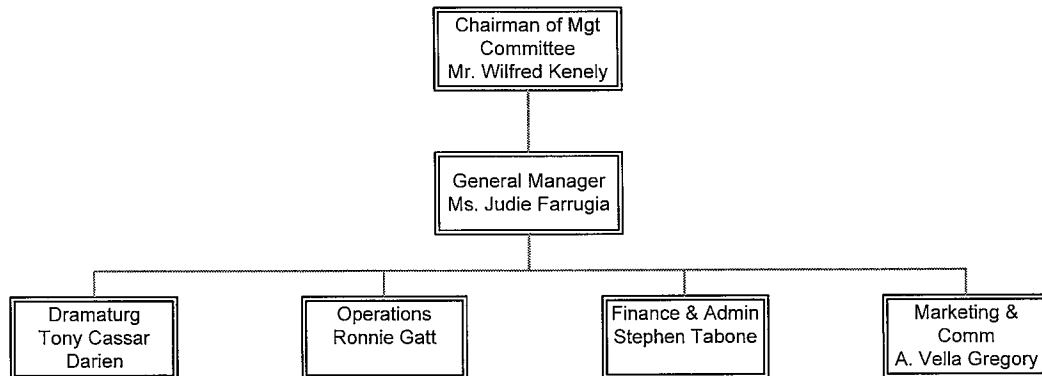
- The Theatre has a lot of potential which is not being optimised. To this effect one can argue that the Theatre's assets could be used much more extensively and higher income could be obtained from an array of other activities;
- The current organisation structure is certainly not conducive to the present requirements and immediate action is required in order to ensure that proper management is instilled;
- The Theatre can exploit its potential and align itself with strategic partners in pursuit of ensuring long term agreement;

## Terms of Reference 2

*The current competency levels of personnel within the organisation and to carry out a Gap Analysis between what is expected from them and what they are actually trained to deliver;*

### Organisation Structure:

In understanding the current scenario the study has primarily looked into the current organisation structure.



It is evident that the organisation structure is based on four pillars as shown in the above structure. However, these units work independently from each other and there is very little co-ordination, communication and discussion on operational and even more so on strategic level.

- Looking at the organisation from a detached position, it transpires that although literature and research suggests that Theatres generally adopt organic structures, Manoel Theatre has adopted a mechanistic structure which is more likely to be found in much bigger organisations where output is generally quantified and defined.
- The organisation lacks to have proper job descriptions and standards of performance against which one can benchmark the output. Furthermore employees are not appraised at all and as a result the output can never improve. This is quite astonishing especially when one considers that practically every person with a supervisory/managerial position have claimed that the output could definitely improve.
- The organisation is marred with two factions, namely the old group and the new group. This situation is quite overt and practically every member within the organisation is aware of this situation. This is a unique position which has brought about lack of trust between members of staff.
- All units work independently from each other. This is also resulting in regular conflict between various members of staff.

- Generally speaking it is also very evident that employees are highly demotivated, mostly resulting from lack of trust, communication and co-operation as well as from lack of personal and financial appreciation for the job.

**The Dramaturg Unit** is a one man army. Although the job was explained and a job description was developed, the person claimed to be working in limbo. However, the Unit has no defined objectives and consequently the output is being limited.

**The Operations Unit** is the centre point of the Theatre. It is managed by a new person who has joined the organisation recently. Undoubtedly this Unit brings about a number of issues including:

- The overall rigid management style of the Head has been widely discussed by all employees;
- There exists lack of communication between members within the same unit;
- There exists lack of trust and respect between the 'old' faction and the 'new' faction within the Unit;

**The Finance Unit** comprises two employees who are very proficient and experienced in their job. The unit is managed very professionally and all records are updated. It is however evident that the Finance Unit does not always find the co-operation from other units.

**The Marketing and Communications Unit** is also a one man army. The job tenant carries out an array of jobs, which in real fact are not related to marketing and communications. His role, which is on part time/reduced hours, circles round providing assistance in the overall organisation and administration of the Theatre. As a matter of fact, the Theatre does not carry out any marketing and its present portal does not portray a true image of the National Theatre and its facilities.

## HR Related Information

Since the Theatre employs a limited number of employees it was essential to carry out a job analysis. In order to ensure a comprehensive understanding of the current job profile it is imperative to identify the current job grades and the total number of employees within each grade.

Job Grade	Total	Allocation
General Manager	1	General
Dramaturg	1	Dramaturge Unit
Theatre Supervisor	1	Operations Unit
Theatre Supervisor (Reduced Hrs)	1	Operations Unit
Marketing & Communications Consultant	1	Marketing & Comm
Accountant (Retainer)	1	Finance Unit
Asst. Accountant	1	Finance
Secretary	1	General
Booking Clerk Asst. Guide (Part-Time)	1	Operations
Wardrobe Mistress	1	Operations
Booking Clerk	1	Operations
Theatre Guide	1	Operations
Cultural Services	1	Operations
Stagehand	1	Operations
Lightsman	1	Operations
Theatre Attendant	2	Operations
Theatre Attendant - Cleaner	1	Operations
Head Usher (Part-Time)	1	Operations
Usher (Part-Time)	9	Operations
Fireman (Part-Time)	1	Operations
Pipeworker (On Loan)	2	Operations
Stage Coordinator (On Loan)	1	Operations

- From the above table it is overtly clear that most of employees within the Theatre have a personalized grade, aimed to meet the individual needs rather than organisational needs. These personalised grades are also reflected in the Collective Agreement signed between Management and the Union Haddiema Maghqudin for the period 2003 and 2007.
- It must be noted that not withstanding the Collective Agreement, the salaries are almost personalised and vary from one employee to the other. Further more, salaries do not reflect the true responsibility of the job and consequently employees with lower responsibility are at times paid more than employees with higher levels of responsibility. In fact, this is one of the main attributes which is leading to de-motivation of staff.

## **Job Grading and Classification**

In order to carry out an objective job analysis and evaluation a thorough appraisal of the responsibility and complexity of every job level was also carried out. To achieve this we made use of the Job Grading Scheme as developed by the Institute of Administrative management. This scheme has eight grades with their statement of general criteria in which jobs can be slotted. This classification is based on the information which was gathered during the one to one interviews with all employees.

Point	Classification Skills Description	Internal Tasks	Present Posts
Point 1	Tasks requiring no previous experience; each individual task is either very simple or closely supervised.	No required skills, knowledge and experience. Simple and repetitive tasks.	Cleaners Theatre Attendañt
Point 2	Simple tasks carried out in accordance with a limited number of well-defined rules; fairly short period of training is required and tasks are closely directed and checked.	Little amount of skills is required. Simple and repetitive tasks with some alternatives.	Head Usher Usher Stage Hand
Point 3	Tasks of routine nature and following well defined rules, but requiring some experience or special aptitude.	Tasks require certain degree of responsibility. Same tasks are generally performed but no particular order.	Booking Clerk Cultural Services Lightsman
Point 4	Tasks requiring considerable experience; but only a limited degree of initiative; and which are carried out within an existing procedure. Work is not subject to same amount of direction as in lower grades.	Tasks require total appreciation of present standard operating procedures.	Secretary Stage Coordinador Theatre Guide Marketing & Comm Consultant
Point 5	Tasks requiring a basic level of professional knowledge or performance of clerical/administrative work requiring the occasional use of discretion and initiative, or the supervision of two six to subordinates	Tasks require good decision making and relatively good analytical skills.	Wardrobe Mistress Assistant Accountant
Point 6	Tasks requiring intermediate professional or specialized knowledge, or the performance or control of complex clerical or routine administrative work requiring occasional non-routine decisions and some use of judgment on routine matters, or the supervision of a group of employees for a particular function within the organisation.	Tasks require excellent decision making and relatively good analytical skills. Additionally the employee uses discretion to vary from instructions as long as objectives are reached.	Dramaturge
Point 7	Tasks requiring professional or specialized knowledge to first degree standard or advanced professional qualification, or the performance or control of work of wide complexity or importance requiring regular non routine decisions and exercise of discretion, or supervision of subordinates.	Job Holder has a decision making job and very often is the final point of reference.	General Manager Accountant
Point 8	Tasks requiring professional or specialised knowledge to degree or final qualification level, or performance or control of complex and important work, requiring extensive use of judgement or initiative and some contribution to policy	Highly technical and professional skills are required. The person is very often a catalyst in introducing new	

	making or supervision of supervisors.	decisions. A strategic dimension to the job and the organisation as a whole.	
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The results from the Job Classification Table show that:

- most of the employees are employed at the lower levels of the organisation hierarchy. In most cases employees carry out their job based on their past experience since there are no clear job duties and standard operating procedures which are generally aimed towards ensuring standards across the Board.
- With the exception of the General Manager, the Dramaturge, the Financial Controller and the Assistant Accountant most employees have a rather low level of education. Although one cannot judge the overall performance, skills and competencies just on the merits of educational qualifications, it seems overtly clear that employees are not trained to meet the ever changing market requirements. Most employees including top personnel are literally confined within their own environment and have never been exposed to new ideas.

## GAP Analysis

In general cases in carrying out a Gap Analysis to identify the stretch of competencies required to fulfill the job, one looks into the present job content and match it with the expected job content. In view that there are no written job descriptions, this exercise was carried out on the basis of the interviews which have been carried out throughout the exercise.

Employee	Present Duties	Potential Duties	Gap in Competencies
General Manager	The present duties of the GM circle round day to day issues as well as liaising with internal and external bodies.	The potential duties of the GM are to include development of strategies as well as more effective general management.	Strategic Mgt Business Planning Business Mgt Basic Financial Mgt Basic HR Mgt Theatre Mgt
Financial Controller	The present duties of the Financial Controller circle round Financial issues.	The potential duties if the Financial Controller are most likely to remain the same.	No specific gaps in competencies have been identified.
Dramaturg	The present job of the dramaturg circles round the development of printed matter, in particular programmes.	The potential duties are to be in line with the new direction to be taken by the Management Committee.	Theatre Mgt
Operations Manager	The present job involves daily operations activities	The potential duties are not likely to vary from present activities	Operations Mgt Basic Financial Mgt Basic HR Mgt Theatre Mgt
HR & Marketing Consultant	The present job circles round general assistant to the GM	A more proactive in marketing and sales is required.	Marketing Mgt Communications Basic Financial Mgt
Asst. Accountant	The present job circles round book keeping duties	The potential job would remain within the same parameters	Continue the ACCA course
Secretary	The present job circles round secretarial work.	This job is to be developed further.	Administrative Skills Basic Management skills

<b>Employee</b>	<b>Present Duties</b>	<b>Potential Duties</b>	<b>Gap in Competencies</b>
Booking Clerk	Job circles round booking activities	The job would presumably remain the same	Customer Care Telephone Skills IT skills
Wardrobe Mistress	Job circles round wardrobe activates	The job would presumably remain the same	No particular competency gaps have been identified
Theatre Personnel	The job circles round various activities directly related to production	The job would presumably remain the same	Individual training in enhancing skills is required.

### Terms of Reference 3

*The current internal practices including the management of operational and strategic issues in alignment to the organisational strategic plan;*

#### **Review of Internal Processes**

From the onset one can say that with the exception of the Finance Unit, the rest of the functional responsibilities are not guided by standard operating procedures and as a result there are a number of ways deal with operational and management issues. As a result one could not map out the processes to identify whether there are any in congruencies which need to be corrected.

After having considered every activity one can conclude that:

- every employee has his/her own way of doing business. There are no standard rules, policies and procedures. A lot of effort is being exercised to trace problems rather than to proactively identify possible ways of improvement. In other instances the lack of proper administrative rules is also resulting in internal conflicts whereby different employees have claimed that they have different working conditions. In return, this unhealthy situation is having a direct effect on the organisation's performance.
- In such an organisation where the availability of resources (both financial and human) are limited, one has to continuously seek alternative measures of how to increase efficiency, improve quality and at the same time reduce overhead costs. Although initial efforts have already been made, there are still a number of areas where the amalgamation of resources has solely remained a paper exercise. As a result there exist a number of processes which are being carried out by more than one person. Moreover most processes are carried out manually and is creating extra pressure on a small group of employees.

#### **General Management**

The General Management function is very fluid and the General Manager carries out an array of activities. However it is clear that these activities are not organized and vary from time to time.

The main activities directly administered by the General Manager include:

- Contact with national and international agencies;
- Liaison with internal employees;
- Administration
- Human Resource Management

### **Finance**

The finance function is clearly set and is carried out in line with international accounting standards. In the course of time the personnel within the Finance Unit have developed a clear set of standards for different activities which include:

- Invoicing
- Debt Control
- Purchasing function
- Payments to suppliers
- Management accounts

### **Operations**

By and large the operations function is carried out by various personnel including the General Manager, the Dramaturge, the Marketing and Communications Consultant as well as the Operations Manager. Unfortunately, notwithstanding that this is one of the most important processes, there are no adequate standard operating processes.

As a matter of fact, one can also point out that lack of clear operating processes is bringing along a number of personal conflicts amongst members of staff at various levels.

By and large the main operations processes should include the following:

- Contact with customers;
- Liaison between external customers and internal employees;
- Stage Management (including all ancillary services);
- Invoicing
- 

### **Commercial Activities**

Although in principle having a commercial outlet next to the Theatre is a very good idea, one must point out that at present this outlet lacks strategy and direction. Besides there are no particular items and there is no specific theme which is being addressed.

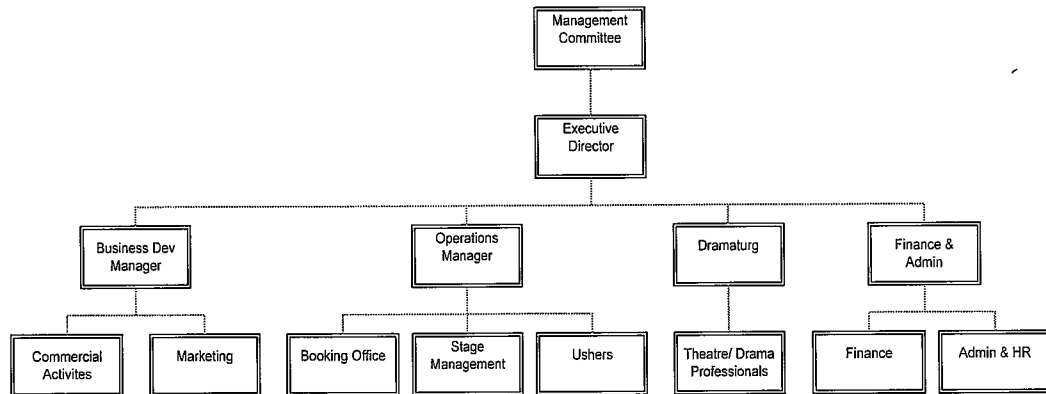
The Theatre is in dire need to develop the commercial activities namely guided tours, hiring of apartments as well as hiring of costumes much more than it is doing at present, which at times is negligible. These are very important income which is crucial in order to sustain other theatrical and musical activities.

## Recommendations

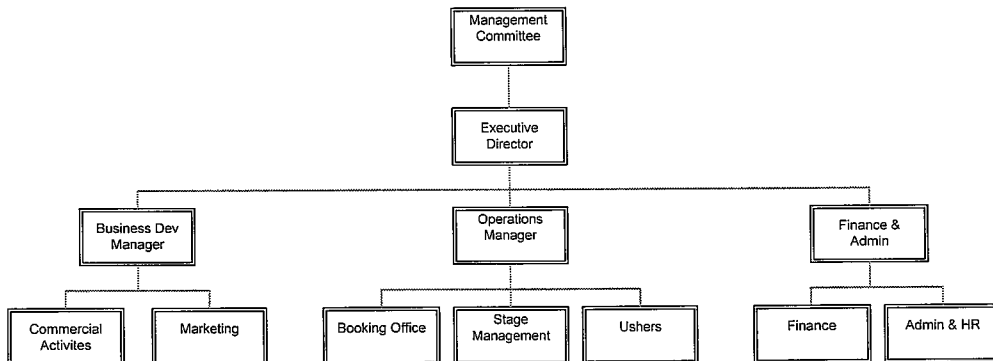
In view of the findings and conclusions set forth in this report, the following recommendations are being put forward for consideration:

### 1. Setting up a new organisation chart as follows (step 1):

The res-structuring process could be done in two phases. Step 1 includes the role of the Dramaturg, while the second step this role is to be assumed by the Executive Director.



### (step 2):



- The role of the General Manager would be changed to an Executive Director role in order to ensure that the job tenant would be part of the Management Committee Team. In addition the Executive Director would also be part of the decision making process at Management Committee level.
- The new set-up also proposes the role of a Business Development Manager to take into account all the commercial activities of the Theatre including amongst others:
  - Hiring of Theatre;
  - Guided tours;
  - Hiring of apartments;

- Hiring of costumes;
- Commercial Outlet;
- Publications;
- Design and production of products (to be sold at outlet)

Another direct task of the Business Development Manager is to assume proactive Marketing and Communications activities at national as well as international level.

- The new set-up also proposes that the Operations Manager would have a wider scope. As a result the job tenant would assume the full responsibility of the operational processes which are directly linked to the core business namely:
  - Meetings with external party(ies);
  - Confirmation of event(s);
  - Liaison with internal employees;
  - Performance management;
- The proposed set-up also takes into account that the Finance Department would take under its own wings the Administration and HR function. This would ensure that the main and supporting processes will be co-ordinated by the same unit. As a result one expects higher level(s) of effectiveness and efficiency in overall results.
- The proposed set-up also takes into account the role of the Dramaturg. The main scope behind this role is to ensure that there would be a close and direct link between the Management Committee and the implementation of the Theatrical and Musical programme for the following season(s).

Needless to say that once the organisation structure is set, up all employees are to be given the necessary training to be able to meet the desired level of output in accordance to the objectives set forth as part and parcel of the strategic objectives of the Theatre.

2. **Enhancing the present business strategy:**

The second recommendation proposes that the present business plan for the period 2007-2009 would be reviewed in more detail and a set of strategic actions would be developed and communicated accordingly. This is undoubtedly a very important step since it will provide the stakeholders with a clear path to embark on. In carrying out this exercise it is imperative to clearly set out:

- **The short term** objectives including an immediate re-engineering project; the setting up of a workable organigram and the actual development of the strategy.
- **The long term** strategy should be based on developing a set of clear overarching objectives and eventually a number of sub plans to sustain the set of agreed objectives.

3. **Developing a set of systems and procedures:**

Once that the structure and strategy are developed, it is equally important to set in place the required systems and procedures. This would ensure that all employees would have a common approach to their job. Systems and procedures circle round organizational and individual requirements.

4. **Developing Strategic Alliances:**

In pursuit of meeting the desired cash flow, it is essential that with immediate effect, the Theatre would develop a series of strategic alliances with the private sector. This would ensure that a substantial amount of income would be secured and the Theatre would then be in a better position to embark/ continue its ambitious project(s).

5. **Putting the Theatre on the International Map:**

In addition to the over-arching recommendations made above it is also important that with immediate effect consolidate the present contacts to enhance the image of Manoel Theatre on the International Map.