

Research center associated with the University Jean Moulin
Lyon 3 and E.M. Lyon (Ecole de Management de Lyon)



ISEOR

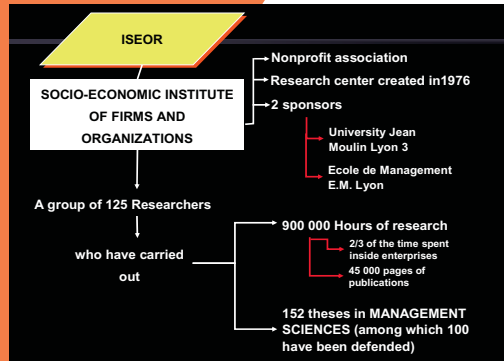


Socio-Economic Institute of Firms
and Organizations

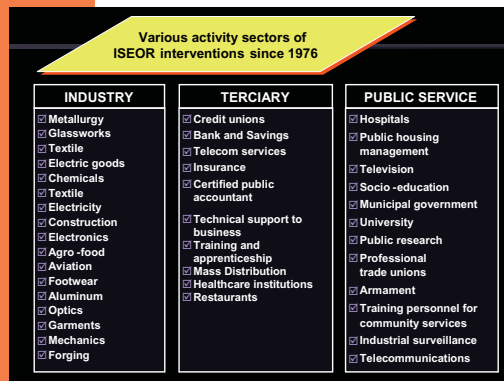
Editorial



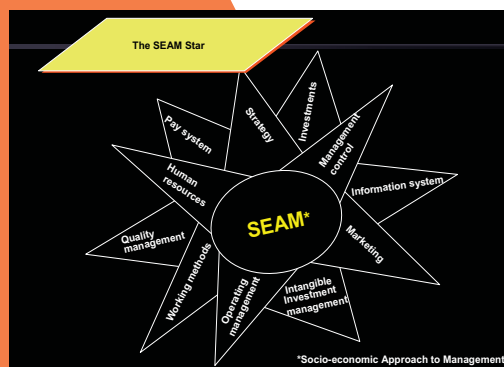
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It was no longer possible to apply, disseminate and teach management principles, even mere “recipes”, dating back to the late 19th century and now obsolete... if not regrettable.

Managerial principles and methods imported from abroad caused extreme disappointment within companies and, to a lesser extent, among some management theorists and researchers: all-out production, overspecialized Fayol-Taylor-Weber type organization or, conversely, psycho-naive utopian attitudes, uncontrolled autonomies.

A deep-rooted and harmful idea became firmly established i.e. efficiency and profitability were to be obtained at the detriment of quality. Firms were condemned to choose between sheer profit strategies and socially-oriented strategies. Those simplistic antagonisms, which we denounce, and the malaise we observed in firms on the eve of the worldwide economic crisis (the first oil-shock in 1973 merely revealed a chronic, severe deficiency) constituted the starting point of my research aimed at developing a theoretical as well as an operational approach to management.

Since management practitioners and theorists had been doing their utmost to separate or even to oppose the economic field and the social one, I decided to observe what would happen in firms if the various factors traditionally pitted against each other were brought together: human considerations vs. economic considerations, satisfaction vs. profitability, productivity vs. quality, financial advantages vs. qualitative ones.

Thus was born the socio-economic approach to management as early as 1973 - the conceptual nexus consisted of the notion of dysfunctions coupled with that of hidden costs and performance (hidden costs for short) - the activity of individuals, of teams or of organizations simultaneously produces proper functioning (orthofunctioning) and anomalies or disturbances (dysfunctions).

Every enterprise continuously generates good products that fuel its profitability and pave the way for its development, but also experience disruptions that partly absorb its energy and financial resources, leading to reduced performances.

The financial costs of those dysfunctions are not identified in traditional management information systems and even less in general or analytical accounting system. That is why we decided to call them «hidden costs», for if it is true that their cause can be brought to light (the dysfunctions identified), their financial impact is neither measured nor monitored.

When a firm succeeds in reducing its dysfunctions, financial performance improvement is obtained, which is not specifically shown in the accounting books: this is hidden performance. Thus, the greater the firm's hidden costs pool, the more it can expect to improve its performance by mobilizing and valorizing its current internal resources, without resorting to additional external financing.

Such is the innovative socio-economic management approach I conceptualized as early as 1973 and we tested and evaluated through long-term experimentation.

And even then, we had to design efficient technology to foster lasting implementation within firms and organizations. We thus developed a socio-economic intervention method which proved to be effective and efficient.

Later on the question of how to maintain socio-economic management was raised by the firms and organizations that had implemented this management method.

The practice and scientific observation of implementation and maintenance of managerial systems gave rise to our field of scientific and technical competency : management engineering.

The quality of company management is as vital as technology and product innovation.

Considering this challenge, would it not be sensible to carry out extensive and fruitful management R & D, jointly handled by enterprises and management science researchers ?

Research in management sciences, when it does exist, remains too fragmented, teams are too small and lack structure, and the themes broached are too pointillistic and fashion-dependent.

Also, scientific research and pedagogical research are too often confused. How can one meet the real needs of firms with pedagogical research alone?

Effective management research has to be scientific. In order to advance in the field of management, universities, graduate schools, teachers and researchers must tighten the interactive links of scientific co-operation with firms and practitioners.

This is why, with the creation of our ISEOR team, we inaugurated a new approach to research and intervention in firms : fundamental, universally applicable research, based on a wealth of knowledge accumulated, structured and modeled through repeated experimentation and evaluation «in the field», inside 1200 enterprises and organizations, both public and private, spread across 34 countries on 4 continents.

Some 900 000 hours of long-term intervention-research and rigorous, up-close observation in real situations of more than 110 000 individuals (executives, managers, supervisors, shopfloor personnel) has enabled us to construct a solid knowledgebase in management.

The teacher-researchers and the members of the ISEOR's executive management team are themselves involved, nearly full-time, in invigorating experimental research in the field, at the head of their teams of intervener-researchers (500 since the beginning).

The socio-economic approach also intends to help firms and organizations put an end to micro-improvement experiments, which rarely last and never feed through to the whole firm.

Furthermore, our research leads to a diploma. Indeed, ISEOR is the supporting laboratory of the management science doctoral program co-sponsored by a leading university and a graduate school known for its tight links with the business sector, University Jean Moulin Lyon 3 and E.M. Lyon.

Growing demand from private and state-owned enterprises and public services has enabled us to develop contractual research leading to self-financing, thanks to the multiplication and the renewal of contracts signed with users.

Researchers thus attain a state of full partnership inside the firm or organization, without being dependent on the trials, tribulations and limited usefulness of exclusively subsidized research or excessively academic research.

Encouraged by our progressive and constant growth for over 33 years, we continue to enrich our knowledgebase with every new experiment, fine-tuning our program to real-life.

Thus, we can enrich both our concepts and tools and fuel a vast international observatory of the actual internal and external life of firms and organizations networking in numerous countries.

Professor Henri Savall
Director of the ISEOR.

In the Lyon-Ecully Technopolis: ISEOR First Research Enterprise in MANAGEMENT ENGINEERING

ISEOR is one of the major French research teams in Organizational Management : it has developed a fundamental management of the organization as a living entity (bio-management).

This research center has the distinctive feature of being associated with a major university ranking high in the field of social sciences - University Jean Moulin Lyon 3 - and with a Graduate School in business and management - E.M. Lyon (formerly ESC Graduate School of Business).

Those two institutions jointly organize a doctoral program in management sciences, mainly backed up by the ISEOR research laboratory.

The ISEOR has invested more than 900,000 hours of research work to its innovative management pilot projects. More than 500 individuals, teachers, students and practitioners have been trained through research at the Institute. It has attained a prominent position amongst French research teams and constitutes today a center with more than 125 fully active researchers.

The ISEOR is approached by enterprises to which it offers a methodology based on three conceptual frameworks it has developed :

- socio-economic theory of organizations,
- theory of intervention in enterprises,
- socio-economic management tools which make it possible to bring tangible and measurable results to enterprises.

High demand from enterprises, small and medium-sized firms, large companies, public services and interventions carried out in state-owned companies allow this research to be financed in an original way, thanks to the contracts signed with the users. The essential scientific and economic independence of the ISEOR approach is thus secured so as to ensure a level of fundamental research which can sustain international competition and attract academics and practitioners from Anglo-Saxon countries.

An enterprise of the quaternary sector focused on research / creation / innovation

- **Contractual research** dedicated to the future of firms and organizations.
 - **Fundamental research** to promote scientific knowledge of current and prospective realities.
 - **Creation** of stimulating concepts, methods and tools for real-life management of organizations and projects.
- Implementation of a new field of knowledge :
ENGINEERING OF THE INTANGIBLE

Why innovative management ?

The environment challenges the enterprise through :

- Emergence of new technologies
- Globalization and development markets
- Intensified competition
- Diversification of products
- Transformation of activity sectors and of the roles of company actors

The enterprise's constructive response requires :

- Increased participation and improved dynamics involving the ENTIRE PERSONNEL of the enterprise at every level, from the CEO to employees and workers.
- Significant development of all company KNOW-HOW and HUMAN potential.

ISEOR Research laboratory

Putting an end to the contemplative voyeurism of «amateur researchers» in firms :

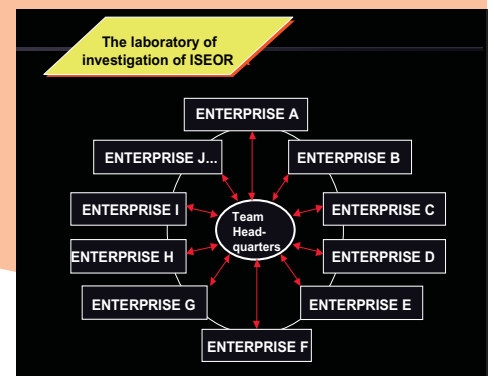
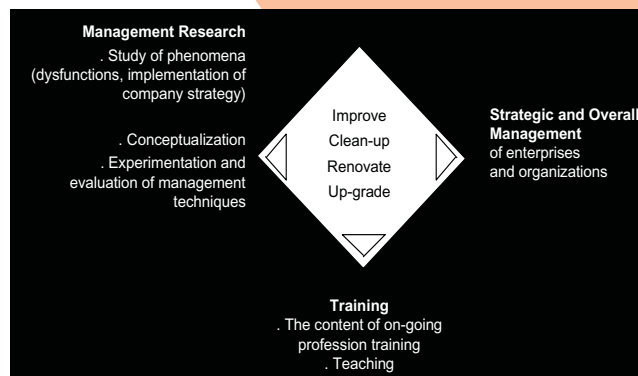
The ISEOR team is in constant interaction: going back and forth between pilot firms and ISEOR headquarters.

Every intervener-researcher has direct access EVERY SINGLE DAY to real situations and is confronted with real-life problems of company administration and management, calling for actual decision-making, where relevant concepts and management engineering tools are developed, both at

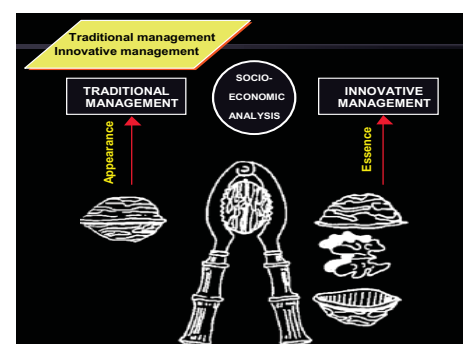
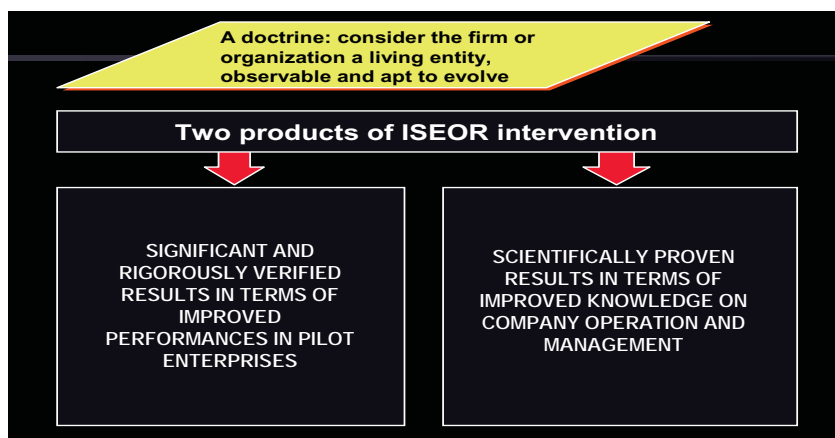
the scientific level as well as in terms of usefulness for firms. Such intervention is an invaluable source for the production of new scientific knowledge: thus was born the principle of cognitive interactivity.

A mission and a calling :

Company management has a critical impact on everyone involved: it merits authentically-scientific research based on rigorous observation and properly evaluated real-life experiments, as is the case in all successful scientific domains.



A doctrine : Consider the firm or organization a living entity, observable and apt to evolve



Three persistent preoccupations that stimulate SCIENTIFIC QUALITY

1. Develop relevant and verifiable representations of what constitutes the REALITY of company and organizational management by multiplying scientific evaluations with the stakeholders (fighting against bookish academicism and sterile scholasticism)
2. Try out again and again concepts and tools before considering as proved any kind of assertion (fighting against unwarranted allegations burdening social sciences)
3. Accord more importance to studying change rather than past or present phenomena in the firm: a strategic vision of the enterprise can be clarified by referring to its past but, in substance, company strategy does not draw on history but on CREATION / INNOVATION / PROSPECTIVE (fighting against static representations which can not propel the company at reasonable speed).

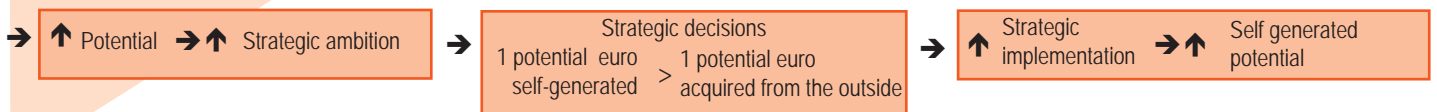
Socio-economic analysis

The socio-economic analysis is a strategic approach

1. The internal potential of the firm as a strategic vector
Economic and social potential accumulated and incorporated into the firm over years modifies its strategic vision and ambition.

2. Internal resources as prime mover of the firm
External acquisition of new resources requires an acclimation period, contrary to internal resources already controlled and incorporated.

3. The strategic implementation as potential multiplier
The quality and intensity of strategic implementation increases the effectiveness and efficiency of the potential accumulated by the enterprise or organization.



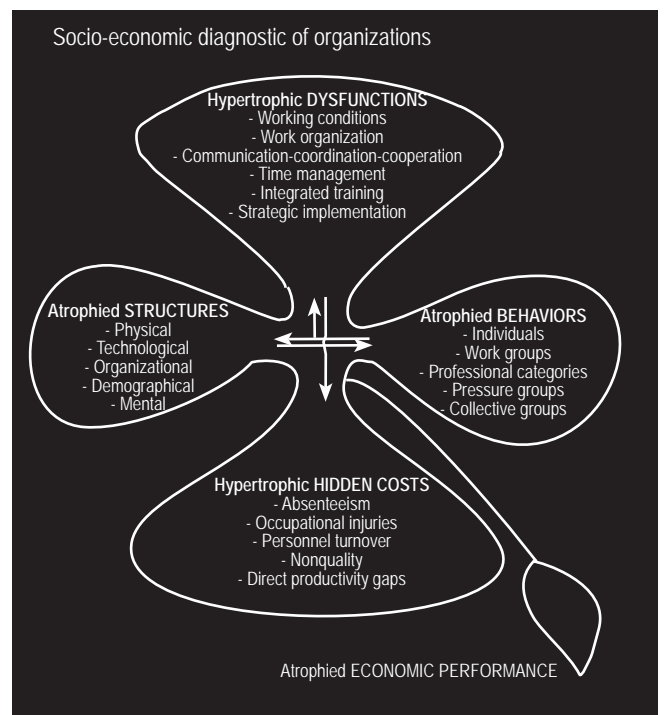
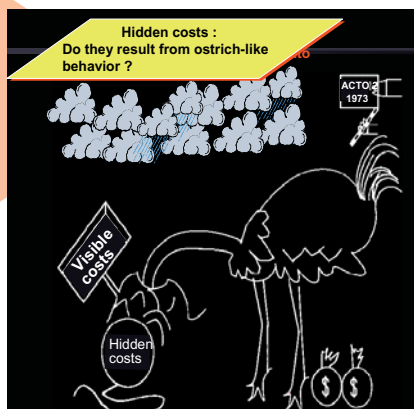
An explicative model of company functioning

The socio-economic theory considers the enterprise as a complex whole composed of 5 types of structure interacting with 5 types of human behavior. This constant, complex interaction generates the activity dynamics that are the very life of the firm. However, one can detect anomalies, perturbations, discrepancies between the desirable functioning (orthofunctioning) and the functioning actually observed : these are the dysfunctions whose recurrent characteristics generate hidden costs. Those hidden costs affect the overall performance of the firm i.e. its competitiveness, profitability, effectiveness and quality of functioning : connected concepts of integral quality and overall economic productivity.

Our extensive, rigorously evaluated intervention-research has revealed that the fundamental causes (root-causes) of dysfunctions are due to deficiencies in :

- Piloting : human behavior,
- HISOFIS : stimulating information system,
- Synchronization : coordination devices in real time,
- Clean-up : devices of periodical maintenance of structures, procedures and behaviors, in a word, all that deteriorates as years go by.

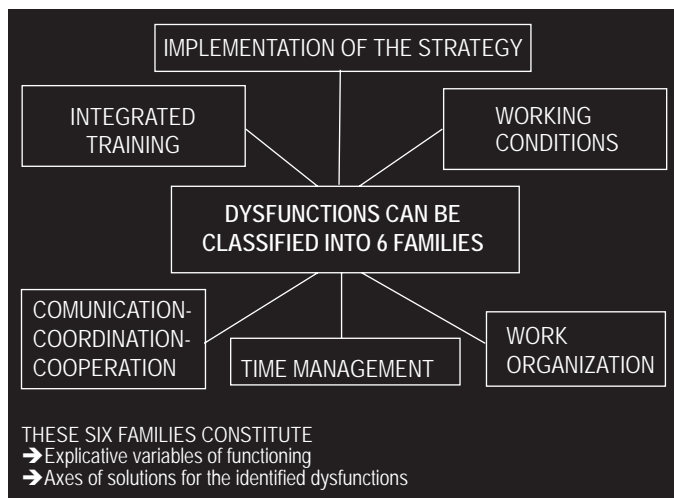
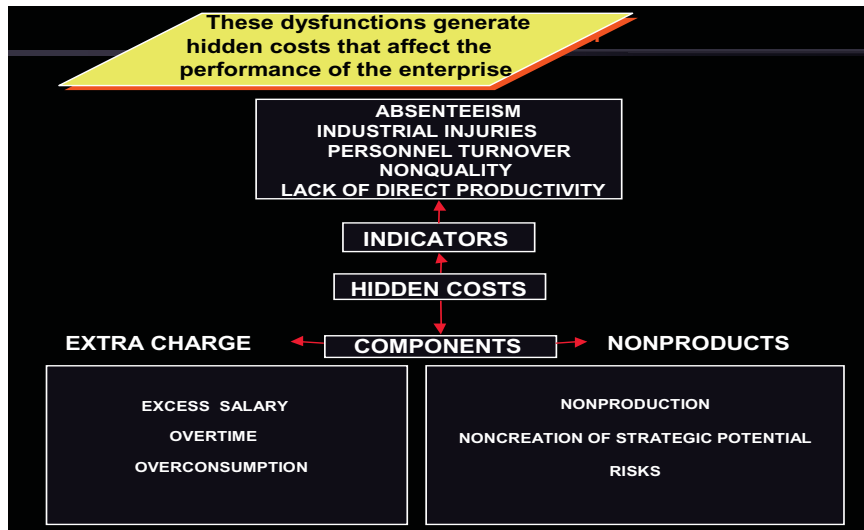
Do hidden costs result from ostrich-like behavior, burying one's head in the sand ?



Results of intervention-research in enterprises

Dysfunctions

The interaction of structures and behaviors in a firm creates 6 domains of dysfunctions. These 6 domains constitute both explanatory variables of the company functioning and areas of solution for the dysfunctions identified during the diagnostic in the enterprise.



Excess salaries : time spent at an activity by an employee with a higher salary than the employee in charge of the activity
 Overtime : time spent regulating dysfunctions
 Overconsumption : quantity of products consumed in regulating dysfunction
 Nonproduction : loss of products or activities provoked by dysfunctions
 Noncreation of strategic potential : delayed performance caused by current dysfunctions
 Risks : is a more or less foreseeable factor that can be calculated according to the probability of a cost occurring

Hidden costs can be significantly recycled through socio-economic development and innovation actions

Hidden costs are those costs that go unidentified in the classic information systems implemented in enterprises (budgets, financial and management accounting, financial piloting logbooks...) as opposed to visible costs, which appear in given accounting category such as wage costs or purchase of raw materials.

Consequently, hidden costs are neither quantified nor controlled in daily company functioning. They have an incidence on company results, however, because they are hidden, they are not taken into consideration during management decision-making.

Hidden costs are high

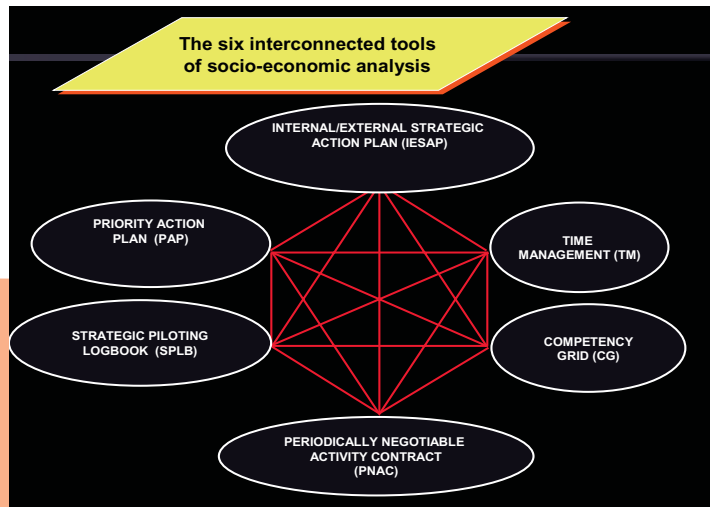
| | Sector of activity | In 2007 euros per capital and per year | In percentage of the payroll |
|------------|--------------------------------|--|------------------------------|
| INDUSTRIES | ELECTRONICS | 64 800 € | 220 % |
| | METALLURGY | 25 000 € | 80 % |
| | GLASSWORKS | 53 500 € | 150 % |
| | HOUSEHOLD APPLIANCES | 17 000 € | 50 % |
| | AGRIBUSINESS | 15 600 €* | 45 % |
| SERVICES | BANKS | 24 500 €* | 45 % |
| | TELECOMMUNICATIONS MAINTENANCE | 22 400 €* | 40 % |
| | CITY GOVERNMENT | 10 800 €* | 35 % |
| | SUPERMARKETS | 12 100 €* | 40 % |

* UNDERESTIMATED

Socio-economic management

The human dimension of the enterprise and its economic performance

Innovative socio-economic management, created and experimented by Henri Savall and developed with his ISEOR team, is a management approach that closely associates the social dimension of the enterprise with its economic performance. It is composed of overall management methods based on human development as the main factor for effectiveness in the short, medium and long term. Effectiveness and efficiency of firms and organizations depend on their capacity to combine classic management methods with the human and social dimension of their overall functioning and sustainable performance.



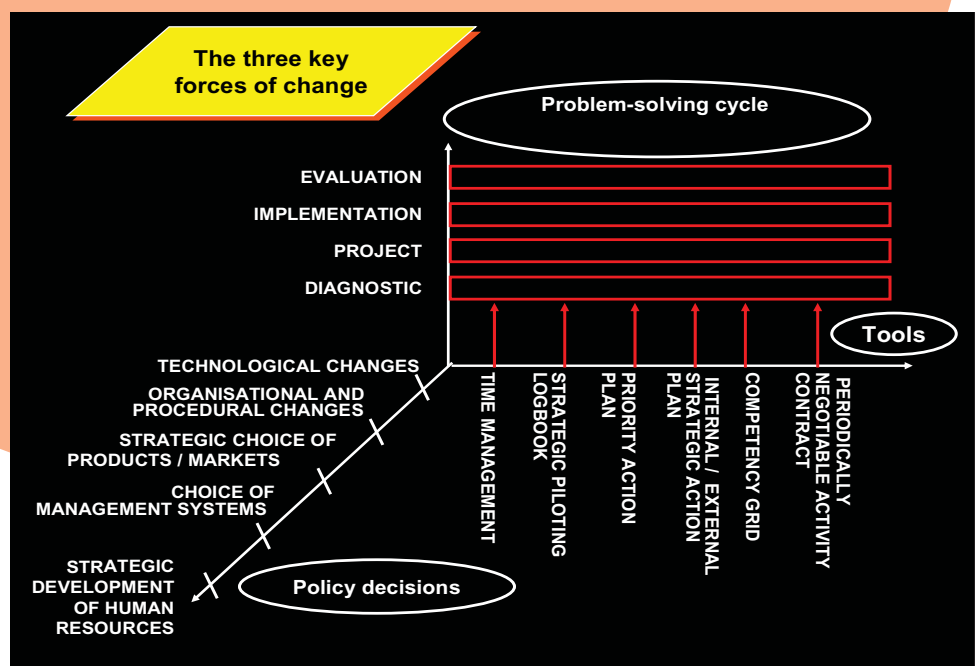
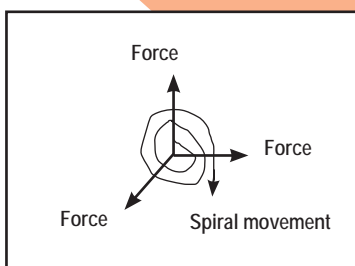
Socio-economic management offers innovative tools and methods for real-life management

This management approach reinforces teamwork methods. It is implemented through collaborative training sessions. The socio-economic management enables structuring the

firm's development along three piloting axes :

- Policy and strategy decisions fuel the energy necessary to the firm's strategic trajectory
- Implementation process, considered as a succession of periodical cycles to solve problems encountered along the way
- Six original management tools created, experimented, implemented and evaluated by ISEOR in numerous enterprises, organizations and countries.

The dynamics of socio-economic management set-up



■ Six stimulating tools ...

1 - The Periodically negotiable activity contract (PNAC) formalizes the priority objectives and the means made available to each individual in the firm (workers and employees included) during a personal bi-annual dialogue with their immediate superior. Extra pay is linked to the attainment of collective, team and individual objectives, self-financed by hidden cost reduction.

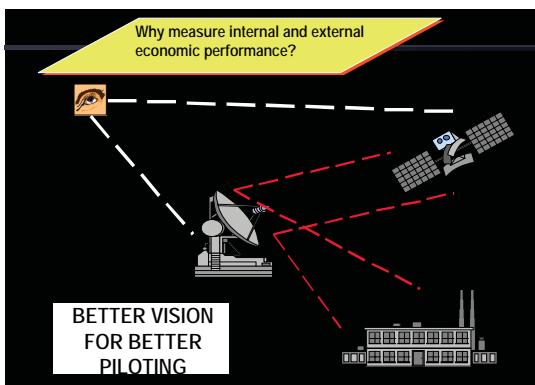
2 - The competency grid (CG) synthetic framework that permits visualizing what competencies are currently available in a team and how it is organized. It allows working out an integrated training plan specially tailored to each individual and changing needs of the team.

3 - The priority action plan (PAP) lists the actions to be achieved within six months so as to reach the priority objectives after having arbitrated priorities and a feasibility test of available resources.

4 - The strategic piloting logbook (SPLB) includes the qualitative, quantitative or financial indicators used by each member of the middle management team to pilot, in concrete terms, the individuals and activities under their responsibility. It allows measuring, assessing, following the implementation of actions and staying alert on sensitive parameters of operational and strategic activities.

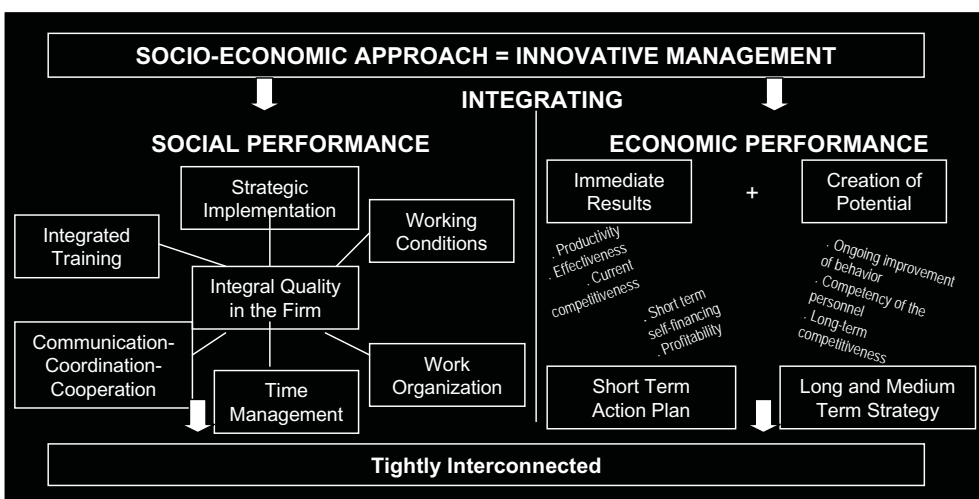
5 - Time management tools (TM) aim at a more efficient structure of the time schedule by developing individual and collective programming as well as collaborative delegation.

6 - The internal / external strategic action plan (IESAP) clarifies the company strategy for the medium term (3 to 5 years) vis-à-vis its external targets (clients, suppliers, competitors, institutions...) as well as its internal targets (from the CEO to employees and workers). It is updated every year so as to take into account the evolution of the relevant external environment and «internal environment» (in reality, personnel constantly shuttle between the firm's exterior and interior).



...to ensure integral quality in firms and organizations

The socio-economic management approach simultaneously aims to jointly attain social performance and economic performance. Its tools systematically integrate this twofold dimension.



Qualitative, quantitative and financial results obtained

Example of a small team's measured performance in a large-scale pilot intervention

Significant financial results obtained

For all pilot actions evaluated, hidden cost reduction attained from 4000€ to 8000€ per person / per year in reduced charges, increased production (i.e. a higher profitability ratio) and development of self-financed intangible investment.

A higher degree of satisfaction is thus reached among people external to the firm (clients, suppliers) and its staff (from the CEO to employees and workers).

Example of the small team's measured performance in a large-scale pilot operation (per person / per year)

| Qualitative, quantitative and financial results of socio-economic actions | | | |
|---|--|---|---------------------|
| INDICATORS | QUALITATIVE PERFORMANCE | QUANTITATIVE PERFORMANCE | FINANCIAL RESULTS |
| Absenteeism | <input checked="" type="checkbox"/> Increased motivation on the job <input checked="" type="checkbox"/> Flexible working hours | <input checked="" type="checkbox"/> 3% reduction in sick leave absenteeism | 800 Euros |
| Industrial injuries | <input checked="" type="checkbox"/> Increased sensitization to occupational hazards <input checked="" type="checkbox"/> Doing away with undue haste | | |
| Personnel turnover | <input checked="" type="checkbox"/> Lesser risk of turnover among newly hired personnel <input checked="" type="checkbox"/> Facilitated training | | |
| Nonquality | <input checked="" type="checkbox"/> Fewer defects <input checked="" type="checkbox"/> Improved regulation of defects <input checked="" type="checkbox"/> Reduced number of rejected articles | <input checked="" type="checkbox"/> Reject percentage cut by half | 3 200 Euros |
| Direct productivity gaps | <input checked="" type="checkbox"/> Increased pace <input checked="" type="checkbox"/> Shorter delay | <input checked="" type="checkbox"/> + 16,2% over the period <input checked="" type="checkbox"/> Delivery terms cut down by 2.5 weeks | 7 700 Euros |
| TOTAL | | | 11 700 Euros |

(per person / per year)

How can such results be obtained ?

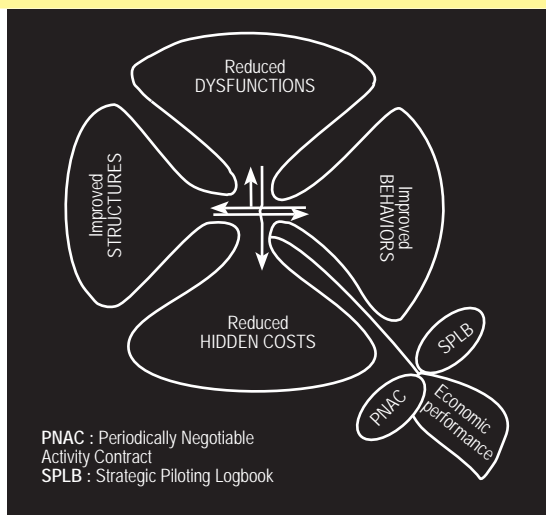
The major questions ISEOR research-interventions are trying to answer are :

- How can a higher and sustainable level of socio-economic performance be attained?
- How can a new approach to management be set up, well adapted to the characteristics of an enterprise and its strategy ?
- How can the grafting of new ideas, new techniques, new types of organization, new products, new skills, new modes

of functioning be successfully achieved, without provoking rejection, without blockage, without disruption, while helping the firm attain in-depth transformation.

Pilot actions in socio-economic management have been conducted in small and medium sized firms as well as in larger enterprises since 1978 representing a wide range of organizations employing from 8 to 30,000 people, in private and public sectors, thriving or experiencing financial difficulties.

Socio-economic management after socio-economic intervention



Some financial results of socio-economic actions co-directed by the ISEOR

| | REDUCTION OF HIDDEN COSTS (in Euros) | COSTOS OF THE ACTION (in Euros) | FINANCIAL SURPLUS OBTAINED (in Euros) |
|------------|--------------------------------------|---------------------------------|---|
| Glasswork | 540 000€ | 77 000€ | 463 000 € That is 5 000 € per person |
| Metallurgy | 38 000€ | 15 000€ | 23 000 € That is 5 500 € per person |
| Banks | 61 000€ | 15 000€ | 46 000 € That is 3 000 € per person |

OVER ONE YEAR

■ Socio-economic intervention

A scientific field to open up : management engineering

The study of phenomena and experimentation of techniques making it possible to conveniently set up an innovative management adapted to the specific context of any given firm or organization, a shift in technology, a new activity, a new product, a new trade, new skills, in a word : INTEGRAL QUALITY .



Intervention process to set up stimulating management

So as to control dysfunctions and hidden costs, it is necessary to carry out a series of participative and synchronized actions throughout the enterprise (or large establishments), as demanding for all actors involved (from the CEO down to employees and workers) as the challenges from the environment: increased levels of competency and more sophisticated techniques, initiative and empowerment renewal of product lines, improved internal and external communication-coordination-cooperation.

Rigorous methods, programmed, piloted and evaluated

PRINCIPLE METHODS CREATED AND DEVELOPED

- 1- Methods adapted to small and medium-size firms, large industries, major service enterprises, nonprofit organizations and public services
- 2- Socio-economic diagnostic
- 3- Methods for calculating hidden costs and performance

4- Participative research methods in view of regulating dysfunctions and selecting performance improvement actions

5- Qualitative, quantitative and financial (QQFI) evaluation method of phenomena and significant indicators in firms and organizations

6- Socio-economic methods of evaluating sustainable performance

Socio-economic intervention is :

PROGRESSIVE : energizing the entire firm in pace with its rhythms of activity and with its adjustment capacity

STRUCTURED : careful organization of the intervention enables conducting an effective strategy of change

EVALUATED : with the participation of company actors, according to qualitative, quantitative, financial criteria

ADAPTED : the basic intervention method is completed by action frameworks and devices adapted to the firm or organization, considered as a unique socio-cultural entity.

The HORIVERT process (Horizontal and Vertical)

An architecture of socio-economic innovative action designed to be effective and to irrigate the entire enterprise or organization

Cluster logic

A collaborative training program within the enterprise makes it possible for its management team as well as the entire company to quickly adapt the management tools proposed to their department.

Groups are constituted in the form of «clusters» that follow the current architecture of management teams, each group being composed of an executive and his/her direct collaborators. In small and medium-size firms with less than 50 employees a single cluster is set up with company heads and managers.

Two simultaneous comprehensive actions

The intervention starts with two simultaneous actions :

- **horizontal action** of methodological support involving the management team and the staff
- **vertical action** in at least two units (service, agency, workshop), involving executive management, middle management and supervisors of the unit.

This simultaneous horizontal and vertical action makes it possible to ensure a better articulation of the socio-economic intervention with the company strategy and to regulate operational and strategic dysfunctions which are often interconnected.

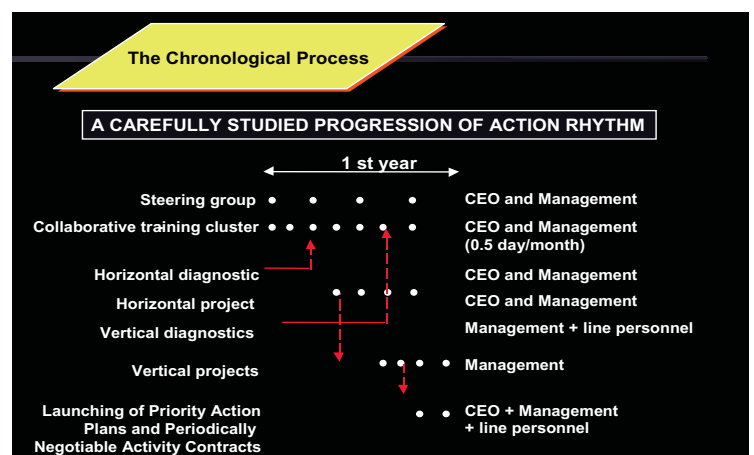
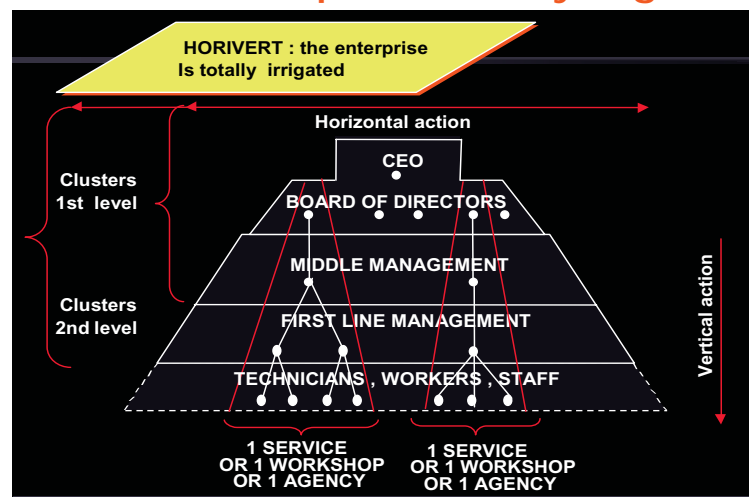
In enterprises of up to 50 active members (small and medium-size firms), the action is integral : it combines horizontal action with vertical action, the latter then involving all the personnel.

A carefully designed action pace :

The chronobiological process

The socio-economic intervention adapts itself to the biological rhythms of company activity, specific to each enterprise. These rhythms must be powerful enough to impact a real impulse to action but compatible with company activity and living pulsations so that its members can assume normal activity in their field as well as improvement action implementation and new management practices.

Horivert : the enterprise is totally irrigated



The year of implementation is organized in the following manner :

Transfer of technology and management engineering expertise

Contributing to the development of consultant professionalism

The ISEOR's vocation

TRANSFERRING to professionals of TERTIARY INDUSTRY (consultants, experts, practitioners, instructors) its experience :

- SCIENTIFIC experience,
- TECHNICAL experience,
- OPERATIONAL experience

in management engineering accumulated and scientifically structured into a knowledgebase for over 30 years.

Meeting a major preoccupation of client firms, professional consultants and public authorities: TO IMPROVE THE PROFESSIONALISM of internal and external consultants who face fierce European and international competition.

A pilot program for the TRAINING OF CONSULTANTS was set up by ISEOR with the support of the Department of Trade and Industry in 1986 :

Acquisition, implementation of tools, intervention methods focused on quality / effectiveness

Designed to accompany complex change and transformation processes by energizing the entire enterprise. The content of this training is structured around 2 axes :

● Technical content

Enabling the transfer by the ISEOR of its knowledgebase and expertise forged through fundamental and applied intervention-research.

● «Intervention theory» content

Providing an approach to the technical dimensions and the strategic actions involved in consulting interventions.

Constant comings and goings between fundamental research and applied research enabled working out a socio-economic theory of intervention in organizations. It conceptualizes phenomena, methods, technologies and practices making it possible to implement new ideas in an enterprise (new policy, new technology, new organization...), consistent with in a proactive strategy of voluntary adaptation to changes in the environment.

Three technology and management engineering expertise transfer frameworks :

1- Ongoing professional training

2- Annual colloquiums on consultant professionalism

Organized by ISEOR since 1988, it takes place every year at the end of the training session on «Developing professionalism among consultants».

It aims to present the progress and result of socio-economic intervention cases in various activity sectors, in connection

with a theme of reflection. The unabridged conference proceedings are published by the ISEOR with Economica Publishing in Paris.

3- Master's Degree in Management Engineering Consultancy (postgraduate diploma)

Created in 1990 at the University of Lyon with ISEOR's participation, this program provides qualifying training in management consultancy. It is centered on implementation of new methods and innovations, addressing all aspects of business and organizational management.

On the one hand it is directed at consultants and experts in active life involved in continuing education and at company executives training for that profession. On the other hand it is directed at full-time postgraduate students from universities and private schools having a solid training in management but just starting in the field of consulting and auditing.

«SEAMES®» Socio-Economic Approach to Management Expert System Software

The methods of organizational analysis and management of enterprises created by ISEOR and experimented for 33 years are currently being computerized : SEAMES® software programs helps improve the productivity and quality of the consultant's work, while speeding up the dissemination of the ISEOR's expertise and knowledgebase. These software programs are real decision-taking tools for consultants and company actors, based on advanced techniques of artificial intelligence.

Two diagnostic software programs are available :

- qualitative diagnostic
- training program

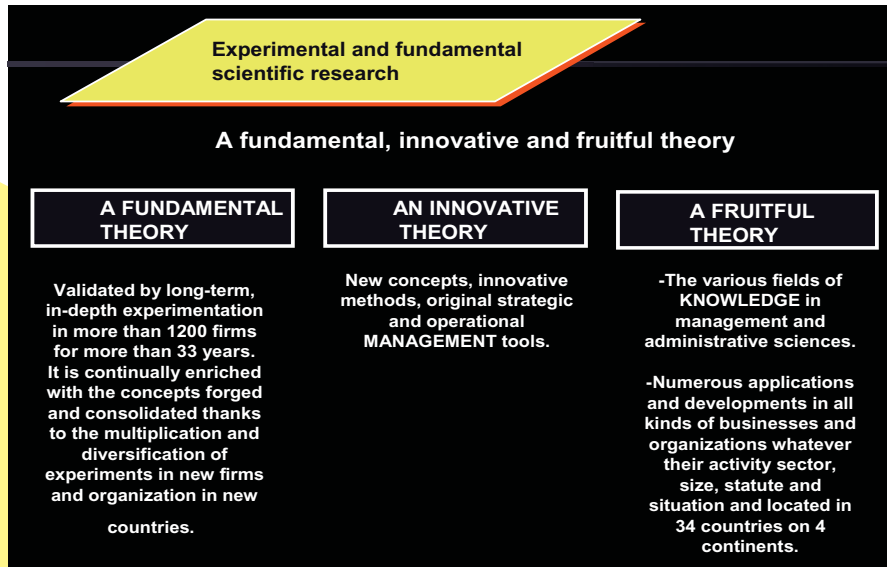
Other programs are currently under development facilitating hidden cost calculation and the search for solutions to dysfunctions.

This pluriannual research program was initiated in 1985 in tight collaboration between Henri Savall and his ISEOR team and Jacques Kouloumdjian and his LISI team (Laboratoire d'Ingénierie des Systèmes d'Information) of which he was the director at the INSA Lyon (Institut National des Sciences Appliquées).

Professional SEAMES® software programs are designed for management consultants conversant with the socio-economic approach. The training program is intended for a larger audience: organizations and establishments, prospective professional users (consultants and auditors) or occasional users (trainees, students, firms).

Experimental and fundamental scientific research

A fundamental, innovative and fruitful theory

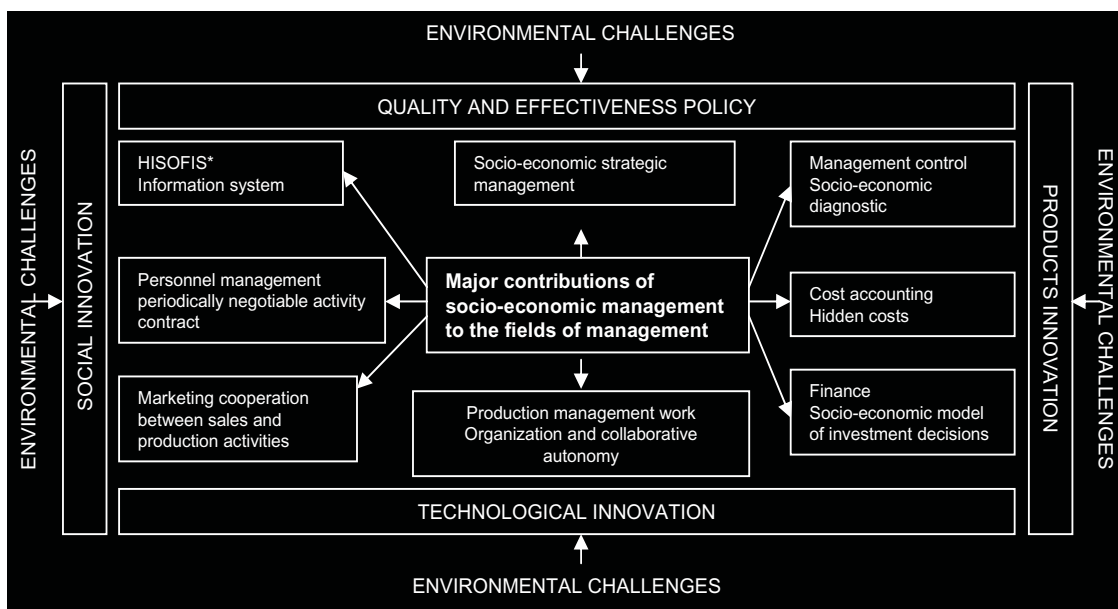


Fundamental axes of experimental research

- 1- Stimulating information systems and models for decision aid in businesses and organizations.
- 2- Business effectiveness and product quality : analysis and improvement conditions.
- 3- Strategy of technological and product innovation; the impacts on human potential and investment decision making.
- 4 - Socio-economic analysis of working conditions, work organization, job design and multitasking capacity in connection with the overall structure of enterprises and organizations.
- 5- Modernization of public services - public and private partnerships.
- 6- Regional projects for sustainable development.

The scientific field of innovative socio-economic management

Contributing concepts and tools to overall, comprehensive management, overcoming classic functional cleavages in the enterprise and excessive specialization, a source of dysfunctions.



Training programs for management consultant, auditors, experts and executive managers

Improved consultant professionalism (FORCONS)

«Acquisition and application of tools and methods for quality and effectiveness».

Training program objectives

This training program, destined to consultants, instructors, auditors, internal consultants, directors and managers of small to medium-size businesses and large-scale firms, auditor-accountants, and quality controllers... offers the acquisition of consulting methods and tools for flexible and customized socio-economic management to initiate and conduct change and innovation in organizations.

This consulting method, developed thanks to an extensive R&D program on management, has been experimented in 1200 enterprises and organizations of various sizes, activity sectors and geographical locations (34 countries on 4 continents) for over 33 years.

This is a two-part program

- 1- Methods, processes and tools of socio-economic management,
- 2- The consultant's job (professional consultant or internal consultant, business director or executive manager).

Information and Registration

Nadège Joly or Cendrine Portejoie + (33) (0)478-330-966

Network of affiliated consultants

The ISEOR, research center in management sciences, has created and developed a network of franchised consultants since 1991. They are authorized to utilize the socio-economic intervention method as well as the ISEOR trademark.

The raison d'être of this network is to implement the ISEOR policy of dissemination of new strategic management practices and change management, thus increasing the scope of the companies and organization which can benefit from the ISEOR method's contribution.

Thanks to innovative consultancy interventions, carried out in businesses and organizations under the ISEOR quality control label, franchised consultants moreover participate in the ongoing dissemination of the scientific and technical patrimony of the research center, and more particularly in the enrichment of its knowledgebase, veritable international observatory of organizational change.

Objective

The objective of this association is the commercialization and production for consultants with ISEOR credentials of the method designed and developed by the Research Center.

Therefore, the consultant does not benefit from any sectorial or geographical exclusivity and must submit to permanent quality auditing on the part of the ISEOR.

CONDITIONS OF ACCESS

- 1-The consultant must have completed one of the training programs designed and taught by ISEOR's pedagogical team (Various training programs leading to bachelor and master degrees at the University Jean Moulin Lyon 3 and ongoing professional training programs for consultants given at the ISEOR Research Center)
- 2- The consultant must demonstrate mastery of the ISEOR method of co-intervention in enterprises, carried out and piloted by the ISEOR
- 3- The consultant must commit to respecting the deontological rules of the Research Center: author royalties, copyright (reproduction permission citing the source), confidentiality, references...
- 4- The consultant accepts the financial conditions of the network.

DURATION OF THE CONTRACT

The contract is signed for an unlimited duration and can be rescinded by either party.

Information: Michelle Bonnard + (33) (0)478-330-966

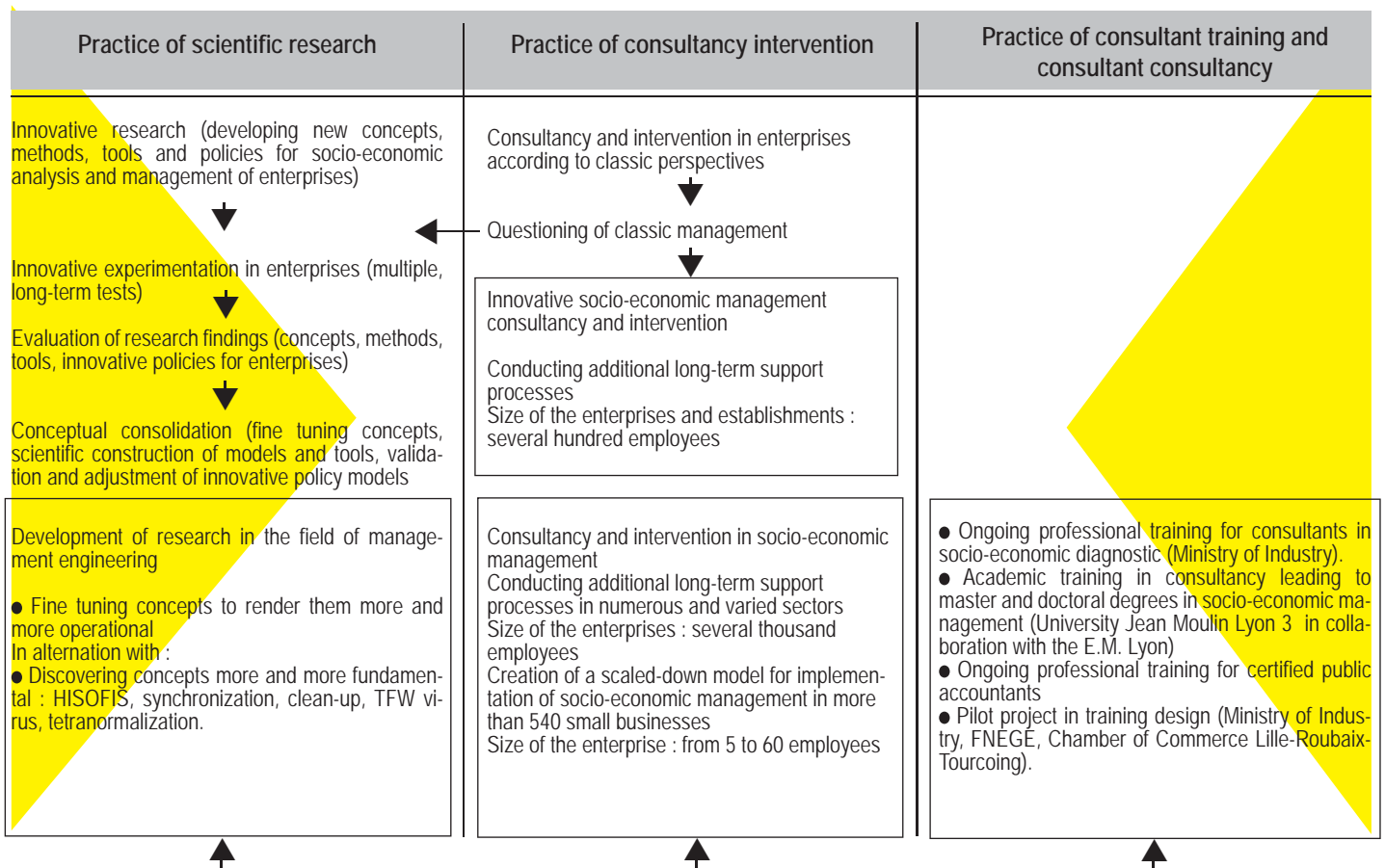
THE RESEARCH CENTER'S CONTRIBUTIONS

to franchised consultants

- The ISEOR contributes methodological assistance necessary to consultants running their own consultancy and develops their competency and capacity for autonomous operation (integration framework and ongoing follow-up);
- The ISEOR provides consultants with tools and support necessary to training programs as well as tools for internal organization and intervention; the ISEOR commits to continuously update tools and support provided and guarantees the rigorous quality of the services it provides;
- The ISEOR provides consultants with access to its expert system software program SEAMES® (and to its knowledge-base that capitalizes more than 1200 cases of enterprises) necessary to carrying out socio-economic diagnostics;
- The ISEOR commits, according to certain modalities, to assisting the consultant in the research laboratory during the first negotiations by providing the collaborative assistance of one of its specialist.

■ A threefold vocation...

The ISEOR's simultaneous and interconnected practice of research – consultancy – education and contribution to the University-Enterprise relationship



A new networking laboratory

- The ISEOR transfers its methodology to consulting firms and Certified Public Accountants, especially through licensing procedures, and guarantees the quality control and ongoing professional consultant training (socio-economic management certification).
- The consulting firms fuel the database, which makes it possible to expand the knowledgebase.
- Its geographical and sectorial dispersion represents an ever-growing network, which enlarges the experimentation field and consolidates scientific validation of concepts, tools and research findings.

Every year, the ISEOR organizes a colloquium to valorize research, dedicated to strategic change in various sectors and professions. This event also showcases enterprises and organizations in European, American, African and Asian countries, featuring the results of the ISEOR's socio-economic intervention. Such presentations at the annual colloquium enable validating the Institute's research findings.

3 Conference Proceedings



ISEOR PUBLICATIONS

The ISEOR Research Lab enjoys international recognition through its publications in English, Spanish and French. Its research work on socio-economic theory has been discussed in the United States since 1981, beginning with the publication of Henri Savall's groundbreaking study "Work and People: An Economic Evaluation of Job Enrichment", prefaced by H.I. Ansoff (founder of the concept of "strategic management"), published by the Oxford University Press, New York, a translation of his 1974 doctoral thesis defended at the Paris-Dauphine University and published in French by Dunod Editions the following year under the title of "Enrichir le travail humain dans les entreprises et les organisations".

The second stage was when Professor David Boje (New Mexico State University, Las Cruces, USA), director of the renowned academic review "Journal of Organizational Change Management", Emerald, 2003) devoted an entire issue (a very rare occurrence for theories not inspired by Anglo-Saxon concepts) dedicated to the socio-economic model, guest edited by Henri Savall. An entire book dedicated to the socio-economic theory of organizations was recently published in the United States. More than 70 papers and articles have been presented in English at the Academy of Management and EGOS conferences. The socio-economic model is the only theory that has been endorsed and published by the ILO (Geneva 2000), simultaneously in English, Spanish and French for the directors of small and medium-size firms.



... Distinguished Achievement Award in 2001



Henri Savall, Director of the ISEOR and Véronique Zardet, Co-Director of the ISEOR, received the prestigious Rossi Award from the Academy of Moral and Political Sciences (Institut de France) for their work on integration of social variables into business strategies.

The idea of creating this book took form during the Professor Anthony Buono's stay at the ISEOR (sabbatical visiting professor). Considering that works equivalent to those carried out by the ISEOR do not exist in the United States, he offered to write and coordinate the manuscript for this unprecedented book.

It is the result of our audacious strategy (baptized «Operation Lafayette») spanning more than a decade, which aspired to construct a healthy working relationship with American scholars and practitioners, thus initiating an ongoing scientific dialogue based on the ISEOR's original research and not on the mere application of Anglo-Saxon models. This unique book includes 18 chapters that deal with different topics and cases in numerous organizations, both private and public : four by American professors, one by a Mexican professor and thirteen by ISEOR scholars.

■ A center for publications

An academic network open to all subjects and fields of Management Sciences

The review *Sciences de Gestion – Management Sciences – Ciencias de Gestión*

was created in 1978 by Henri Savall, its chief editor, as part of the series *Economies et Sociétés*, created by Professor François Perroux, the founding president of ISMEA (Paris).

This publication gathers unpublished articles chosen for their innovative character and rigorous methodology. Since its creation, the review has published approximately 600 scientific articles coming from numerous teaching and research centers.

With its transdisciplinary approach, this series endeavours to tighten the links between management sciences and other fundamental disciplines such as economics, sociology, psychology, political science, mathematics, econometrics and economic anthropology.

This series also intends to develop research on the elements of universal management science, distinct from national contingency and more sensitive to current social realities through in-depth and critical analysis, axiomatization, explication of the normative hypotheses implicit in management practices and models.

It is aimed at tenured professors, researchers professors, heads of academic programs, directors of enterprises, people in charge of public and private teaching institutions, consulting experts, liberal professionals, unions and professional organizations.

The editorial board is composed of 120 tenured university and graduate school professors in three distinct linguistic committees : French, English, and Spanish.

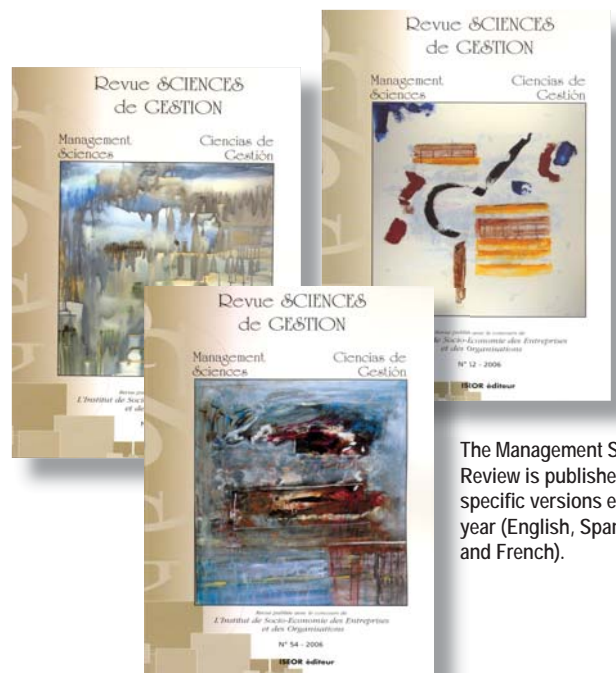
Board members come from Argentina, Belgium, Brazil, Canada, Denmark, France, Germany, Great Britain, Holland, Ireland, Mexico, Portugal, Spain, Switzerland, United States and Venezuela.

Editorial board members participate in the rigorous selection of articles proposed for publication.

Since 2001, the ISEOR has been in charge of the publication.

The review has issued six numbers per year of unpublished articles : three in French, one or two in English, and one or two in Spanish.

The three series publish the abstracts of all articles in English, Spanish and French.



The Management Science Review is published in 3 specific versions every year (English, Spanish and French).

A collection of books on research methodology

Commissioned in 1984 by the CNRS (National Center for Scientific Research) to carry out research on developing new perspectives in management research at the ISEOR, Henri Savall has led a think-tank on research epistemology and methodology in management, which is presented annually at seminars and colloquiums organized by the ISEOR, bringing together more than 300 professor-researchers representing all French universities and management schools.

In 2004 and 2007, the ISEOR organized in Lyon, France, two international conferences of the Academy of Management's Research Methods Division (USA). More than 500 professor and researchers from 22 countries participated.

The ISEOR published the conference proceedings (www.iseor.com).



Scientific publications

Numerous publications on intervention-research by the ISEOR

90 000 pages published by members of the ISEOR on their research

40 books

887 articles published in journals and co-authored books

1223 research reports

100 doctoral theses



The ISEOR announces :

4 000 complimentary newsletters are sent monthly to every individual in contact with the research team.

Important books in French...

- *Enrichir le travail humain dans les entreprises et les organisations*, preface by Jacques Delors, Paris : Dunod, 1974. Spanish translation : Por un trabajo más humano, Madrid : Tecniban, 1977. English translation : Work and people: An economic evaluation of job enrichment, preface by H.I. Ansoff, New York : Oxford University Press, 1981.
- *Releasing the untapped potential of enterprises through socio-economic management*. French translation : Libérer les performances cachées des entreprises par un management socio-économique. Spanish translation : Mejorar los desempeños ocultos de las empresas a través de una gestión socio- económica, Geneva : International Labor Office - ISEOR, 2000.
- *Le nouveau contrôle de gestion: Méthode des coûts-performances cachés* [New management control: The hidden cost-performance method]. Paris: Editions Comptables Malesherbes-Eyrolles, 1992.
- *Reconstruire l'entreprise : Analyse socio-économique des conditions de travail*, preface by François Perroux (Reconstructing the enterprise : Socio-economic analysis of working conditions), Paris : Dunod, 1979.
- *Maîtriser les coûts et les performances cachés : Le contrat d'activité périodiquement négociable*, Harvard-Expansion Strategic Management Award, Paris : Economica, 4th edition 2003. Unpublished English translation : Mastering hidden costs and performances : The periodically negotiable activity contract.
- *Ingénierie stratégique du Roseau, souple et enracinée* [Strategic engineering of the reed, flexible and rooted] Paris : Economica 1995, 2nd édition 2005.
- *Recherche en sciences de gestion: Approche qualimétrique. Observer l'objet complexe*, preface by David Boje (USA), Paris : Economica, 2004. Unpublished English translation : Research in management sciences : The qualimetric approach. Observing the complex object.
- *G. Bernácer, l'hétérodoxie en science économique* (G. Bernácer: Heterodoxy in economic sciences), Paris : Dalloz - Great Economists Series, 1975.

...in Spanish

- *Germán Bernácer, la heterodoxia en la economía* (Germán. Bernácer: Heterodoxy in economic sciences), Alicante, Spain : Publicaciones del Instituto de Estudios Alicantinos, 1983.
- *El modelo de gestión socioeconómica en Organizaciones Mexicanas* (The socio-economic model in Mexican organizations), Mexico City : UAM, 2004.
- *Evaluación del desempeño y gestión socioeconómica* (Performance evaluation and socio-economic management), Mérida, Mexico : ISEOR, 2007.

The ISEOR provides month-to-month information on :

- Forthcoming events
- Experimental research findings
- Conferences, papers, colloquium
- Important dates concerning pilot interventions
- Research valorization through teaching, training and contacts with companies and organizations
- Monthly publications

The complete up-to-date list of publications and research papers is available on the ISEOR website www.iseor.com

Direction :
Professor Henri Savall

ISEOR



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