

ELWa

Final Report

**Review of Self Diagnostic Tools
for Managers**

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Executive Summary

CRG Research Ltd were commissioned by ELWa in March 2004 to carry out a project whose overall aim was to review the need for, and depending on the outcome of desk research and consultations/ fieldwork, outline a specification for one or more self-diagnostic tools for managers in Wales – particularly managers within SMEs.

The project had 3 objectives:

- To undertake research with SMEs to gain an understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review the current diagnostic tools against the requirements identified during the work programme, producing an analysis of the strengths and weaknesses of existing tools.
- If supported by the research programme, to produce recommendations for the development of a self-diagnostic leadership and management tool.

The work programme for the project consisted of:

- Face-to-face interviews with 26 'key informants' from ELWa, Welsh Assembly Government, WDA, Education/training sector and a number of other bodies (including representative bodies for businesses, private sector business advisers and consultants, SSDA).
- Desk research to review a wide range of reports and existing tools addressing management/leadership issues
- An initial group of telephone interviews with 53 SME owner/ managers within Wales.
- Developing a draft specification for a possible self-diagnostic tool.
- Reviewing the draft specification with individual SME owner/ managers, and in 3 focus groups.
- Finalising a specification for a management/leadership self-diagnostic tool, and making recommendations for how it might best be developed and used.

Initial conclusions concluded confirmation that – despite a very large number of tools which look at all-organisation and personality-specific issues – there are currently very few tools which genuinely address the needs of SME owner/ managers seeking to identify their management/ leadership strengths and weaknesses.

Ample confirmation came through the research programme that current levels of **demand** for management and leadership development activities within Wales is relatively low – particularly from SMEs - and this is almost certainly going to be reflected in initial demand for self-diagnostic tools.

On the other hand, there is strong evidence of **need** for an effective self-diagnostic tool, and the report identifies a number of ways in which this need might be translated into demand through appropriate introductions, promotion and support.

A high proportion of interviewees did, however, express concern about the **supply** of effective management/ leadership development support services. There are concerns that managers using a self-diagnostic tool might not find it easy to identify high-quality ways of meeting the needs they have identified. As well as careful alignment of any tool with existing support services, there is a major need for upgrading the general management and leadership development 'infrastructure'.

Key recommendations are, first, that development work to produce a self-diagnostic management and leadership development tool should be taken further by ELWa and its strategic partners.

By way of specification, the tool should:

- be based on the new occupational standards for managers
- cover all potentially relevant competencies, but be capable of 'homing in' on high priority areas rapidly
- offer modules and options, so that managers may gain more detailed information about key areas for them/ their organisation
- be of immediate interest to managers who give little thought to personal development; minimise the use of jargon, and terms which will not be familiar to those without formal management education
- link into other business support activities where appropriate, both for promoting the tool and supporting the implementation of its findings
- be designed for use by hard-pressed, time-poor SME managers
- be attractively presented, stimulating and user-friendly
- be available in paper-based and on-line formats
- be capable of effective use both as a 'free-standing' tool and through 'mediated' discussions with an adviser

- be relevant to SME needs – both the needs of owner managers themselves, and the needs of the business
- be able to be completed (in part at least) in no more than 20 minutes; if modules are available, these will almost certainly take longer
- give results that are seen to be ‘robust’, ‘reliable’
- lead on to more in-depth diagnostic techniques where appropriate
- identify strengths as well as weaknesses
- point to development needs
- be capable of periodic re-use to assess ‘distance travelled’
- link into a range of high-quality, flexible development activities so that findings can quickly and effectively be acted on
- be available, at no cost, to anyone who wishes to use it (high-quality follow-on programmes ought normally to be charged for, however).

Major resource commitments would be required to develop a tool and give it the support it would require to achieve acceptance within more than a handful of Welsh SMEs. The report recommends further consideration by ELWa and appropriate partners about how sources of funding and other support might be identified. A draft work-plan for developing a tool is, however, suggested.

Considering how best a tool might be integrated with other leadership/ management support services should be given high priority, and continued attention should also be given to enhancing the general ‘infrastructure’ available to support SME owner/ managers seeking to upgrade their management and leadership capabilities.

Terms and Abbreviations

DPG: Development Processes Group plc
ELWa: Education and Learning - Wales
FE: Further Education
FSB: Federation of Small Businesses
G-BAS: General Business Advisory Service
HE: Higher Education
liP: Investors in People
ILM: Institute of Leadership and Management
IoD: Institute of Directors
MAP: Managerial Assessment of Proficiency
NTO: National Training Organisation
SMEs: Small and Medium-Sized Enterprises
SWOT: Strengths, Weaknesses, Opportunities, Threats
SSC: Sector Skills Council
SSDA: Sector Skills Development Agency
WAG: Welsh Assembly Government
WDA: Welsh Development Agency
WMC: Wales Management Council

1. Background

1.1 Introduction

1.1.1 CRG Research Ltd were commissioned by ELWa in March 2004 to review the need for, and depending on the outcome of desk research and consultations/ fieldwork, outline a specification for, one or more Self Diagnostic Tools for Managers in Wales – particularly managers within SMEs.

1.1.2 In this report we:

- Summarise the overall aims, objectives and scope of the review.
- Outline the methodology and research programme carried out.
- Present a brief review of the main diagnostic tools currently available.
- Present a review of findings which emerged from the different phases of the data collection programme.
- Describe a draft, then revised, self-diagnostic tool specification.
- Draw brief conclusions and recommendations – including outlining what we see as appropriate ‘next steps’ for ELWa and the Wales Management Council (WMC), and their partner organisations.

1.2 Aims and Objectives

1.2.1 The project draws heavily on WMC’s report ‘Management and Leadership Development and Training in Wales – An Agenda for Action’, whose recommendations included “... *develop(ing) a diagnostic tool that managers, particularly those in SMEs, can use to identify their leadership and management development strengths, weaknesses and skills gaps.*”

1.2.2 The project was commissioned to explore further the need for such a self-diagnostic tool; if a need were to be confirmed, it was not intended that the project should design such an instrument, but it should prepare a specification from which one might be developed in due course.

1.2.3 The formal aim for the project, therefore, centred on “*developing a specification (if appropriate) for a self-diagnostic tool suitable for SME managers, by reviewing the current management diagnostic tools available*

against the market need and make recommendations for future development”.

1.2.4. The specification for the project also set out three clear objectives:

- To undertake research with SMEs to gain an understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review the current diagnostic tools against the requirements identified by the SMEs, the WMC, ELWa, and the Welsh Development Agency (WDA), producing an analysis of the strengths and weaknesses of existing tools.
- If supported by the research with SMEs and others, to produce recommendations for the development of a self diagnostic leadership and management tool, including a detailed specification and a project plan for implementation.

1.2.5 ‘Agenda for Action’ included recommendations to *“Prepare a diagnostic tool that can be used by all businesses and organisations to help individuals identify leadership and management development needs and skill gaps ... Publicise the benefits of this diagnostic tool and make it available to all businesses and organisations ... (and) support the use of this tool, particularly in SMEs¹.”*

1.2.6 These proposals were developed further in WMC’s November 2003 briefing paper which gave more detailed pointers to the criteria which **might** characterise an appropriate self diagnostic tool, through expectations that *“it must be:*

- a) *based on the new occupational standards for managers*
- b) *of immediate interest to managers who give little thought to personal development*
- c) *designed for use by hard-pressed, time-poor SME managers*
- d) *attractive, stimulating and user-friendly*
- e) *available on line*
- f) *relevant to SME needs*
- g) *able to be completed (in part at least) in no more than 20 minutes*
- h) *identifying strengths as well as weaknesses*

¹ ‘Agenda for Action’ page 18.

- i) *pointing to development needs*
- j) *available, at no cost, to anyone who wishes to use it.*”

(lettering added for ease of reference later).

1.3 Scope

1.3.1 It was expected that the primary beneficiaries of the study would – if the need for a self-diagnostic tool were confirmed – include:

- Owner/managers of small/medium-sized enterprises within Wales
- Business advisory agencies (e.g. enterprise agencies)
- Public sector bodies (such as ELWa, the WMC and the WDA)
- Private training providers and consultants.

1.3.2 The need to support any eventual self-diagnostic tool with a wide range of promotional and follow-on support was always envisaged too – and indeed thrown into even sharper focus by a subsequent WMC report: ‘Pressing the Right Buttons – The Marketing of Management and Leadership Development in Wales.’

1.3.3 This report pointed to, for example, “... *an ever-growing body of evidence to show that attitudes to management and leadership development ... are at best apathetic, at worst negative;*” dangers of “*inadequate, or inappropriate provision that has little or no attraction for customers ... (which) leads to negative attitudes and no culture of continuous and beneficial development*” and concluded: “*We need a fresh approach to the marketing of management and leadership development in Wales.*”

2. Summary of Work Programme

Overall Methodology

- 2.1 The agreed work programme had 8 elements, briefly reviewed below. The overall methodology started by clarifying the context for management and leadership development in Wales, then identifying and critically reviewing currently available diagnostic tools. An initial stage of data collection from a sample of Welsh SMEs took place to assess past experiences of management and leadership development (if any), and gain an initial view about the potential need for a self-diagnostic tool.
- 2.2 At this point the research team, through discussions with the project manager, had to advise the National Council – ELWa whether there did seem to be a potential need for a new self-diagnostic tool, particularly for use within SMEs in Wales. The working assumption was confirmed that there **is** such a need – based primarily on significant interest in improving management/ leadership performance in **some** organisations. In addition, the initial phases of the project pointed to there being very small numbers of ‘true’ self-diagnostic management and leadership instruments actually available (in contrast, say, to instruments which address organisation-wide or personality issues) and a range of opportunities for encouraging processes of development and improvement such a tool **might** bring.
- 2.3 On the basis of that assessment, a draft specification for a self-diagnostic tool was drawn up, and developed further through 3 focus groups and a number of additional discussions with SME owner-managers. This phase of the project led to a number of enhancements to the draft specification, and the formulation of conclusions and recommendations from this project (see Sections 8,9 respectively)
- 2.4 The actual work programme went to plan in most respects, although recruiting SMEs for the 2 data collection exercises was challenging and ‘fall-back’ positions had to be adopted.

- 2.5 Two features of the project design do need to be emphasised at this point: first, the SMEs taking part in this exercise should not be seen as a representative sample of all SMEs within Wales – it was never intended that they should be. As we point out below, a high proportion of the SMEs taking part in this exercise were much more likely to be interested in management and leadership issues than ‘the average’ SME. They did provide, however, essential indicative and illustrative information about some of the issues faced by Welsh SMEs more generally.
- 2.6 Secondly, the exercise was not intended to cover detailed design issues for a possible self-diagnostic tool through, say, generating first-stage drafts of such a tool: again it was not intended to. This complicated some of the responses to our questions. Because there are currently many fewer ‘true’ self-diagnostic instruments than had been anticipated, it was not possible to use examples to demonstrate key points of interest, and a number of responses from SMEs stressed “*a lot would depend on exactly what it would look like*”.

Work Plan Elements

- 2.7 **Inception:** An initial meeting with ELWa and WMC allowed the scope of the study to be reviewed and ‘fine-tuned’, up-to-date sources of information to be identified, and a detailed work plan to be agreed. CRG drafted topic guides at this stage, finalised following comments from ELWa and WMC, and a formal inception report was produced.
- 2.8 **WMC Meeting:** A full review of the context for the study took place, including the findings of ‘Agenda for Action,’ the broader need for the study, and issues surrounding the appropriateness of a leadership and management self-diagnostic tool within the Welsh context. The opportunity was taken to discuss a number of leadership and management initiatives currently in existence, together with gathering provisional views on the potential future demand for a self-diagnostic tool.
- 2.9 **Key Informant Interviews:** Face to face interviews were initially planned with 18-22 individuals from ELWa, Welsh Assembly Government (WAG), WDA, SSDA, IoD, the education/training sector, and others - including private sector business advisers and consultants - to explore the perceived relevance and suitability of current management and leadership diagnostic tools, and suggestions for the potential demand for a new tool (including requirements for ancillary support). In

the event, 26 individuals² took part in this stage of the data collection programme through confidential, semi-structured discussions based around the topic guide given in Appendix II.

- 2.10 These interviews revealed both considerable enthusiasm for ‘doing more’ in the management and leadership development field, but also a picture of little effective self-diagnostic material being currently available. A pattern of generally low levels of current formal management/ leadership development activity was certainly confirmed, particularly within SMEs, although the results that can emerge from informal development were stressed by several interviewees: *“you shouldn’t knock what a lot of people have learned just by having a go – they ‘know’ about marketing, even though they’ve never read a book about it, couldn’t give a lecture about it”* (business adviser).
- 2.11 Several key informants also expressed major concerns about the quality of at least some current support services, stressing the point that *“Just a tool mightn’t be much use – you’d have to be sure people could do something useful on the back of it”* (business support manager).
- 2.12 **Desk research:** We reviewed a range of reports (primarily from the UK) looking at management and leadership development in general, as well as re-visiting well-known general policies for economic development and learning within Wales. This phase of the work programme also sought out as full a range as possible of on-line and paper-based leadership and management diagnostic tools (national and international) that are currently available.
- 2.13 Initial expectations were that this might be something of a ‘crowded market place’: certainly many tools addressing **some** elements of management/ leadership and business development characteristics were identified. The number of ‘true’ self-diagnostic tools specifically addressing management/ leadership development issues is fairly small, however, once more organisation-wide and personality-focused tools are excluded.

² Details are given in Appendix V.

- 2.14 **SME interviews:** Original plans centred on carrying out telephone interviews with 30 SME owner/ managers suggested as having at least some interest in the topic by ‘intermediaries’ who have direct contact with appropriate individuals/ organisations. Our first group of intermediaries were not able to supply the numbers of contacts we needed, so 25 interviews were carried out with SME owner-managers identified from standard business directories³.
- 2.15 Further contact with different intermediaries then allowed us to interview a further 28 ‘informed’ individuals. Interviews were based around the topic guide given in Appendix III, designed to explore previous management development/self diagnosis experience, perceived needs for diagnostic tools, and desirable characteristics of possible tools.
- 2.16 **Development of draft specification:** Data collected up to this point was used to produce a draft specification for a possible self-diagnostic tool; an interim report was also produced at this point, and discussed in detail with ELW^a and the WMC – covering, in particular, an initial assessment of possible **need** for a self-diagnostic tool (see para. 2.2).
- 2.17 **Focus groups:** It was planned to review the draft specification with 4 focus groups of SME owner-managers in different parts of Wales, again using a number of intermediaries to contact appropriate individuals to take part in the groups. Difficulties arose in attracting as much support as we would have wished and the first 3 planned events had to be cancelled through lack of key people willing to attend.
- 2.18 In the end, with active support from a further group of intermediary organisations⁴ 3 focus groups did take place, with a total of 14 SME owners/ managers taking part. All three had to take place in South Wales (despite considerable efforts, it was not possible to gather sufficient people together for the planned Mid/North Wales events).
- 2.19 Outline details of those attending are given in Appendix V; in terms of sectors represented, a good mix was achieved (manufacturing, retail, service, etc) as was a good spread of organisation sizes (mostly with 5-25 employees, but a good

³ www.Walesindex.co.uk; Yellow pages and Kelly’s.

⁴ A mix of HE institutions, local enterprise agencies, individual business advisers.

representation of sole traders and 2 with around 200 employees). All attendees were clear 'decision-makers' in the organisations they represented. Detailed notes of points raised in the groups were taken, and subjected to systematic content analysis.

- 2.20 The processes of trying to attract appropriate individuals to focus groups led to a number of detailed and very valuable discussions with individuals having high levels of interest in the subject of the research, who simply were unable to attend the formal focus groups. These views were also carefully noted to give information from what was, in a number of respects, a 'virtual' discussion/ focus group. Again, these notes were subjected to content analysis and results have been incorporated in the findings described later in this report.
- 2.21 **Reporting:** Inception, interim and final reports have been produced, and a series of meetings have been held, leading to very helpful comments and feedback from ELWa and WMC. It does have to be stressed, however, that the responsibility for any remaining errors or omissions in the final report rests with the authors.

3. Findings: Desk Research; Review of Existing Tools

3.1 General Context

- 3.1.1 We carried out a review of recent UK and Welsh reports (and other material) looking at different aspects of leadership and management development. 'Agenda for Action' identified most of the key themes apparent in wider thinking – not least the vital and often under-recognised part leadership and management plays in overall business performance and wider regional/ national competitiveness.
- 3.1.2 The literature review we carried out (also backed up by many of the points made by 'key informant' and SME interviewees) served to emphasise a number of points we think are important when looking at possible self-diagnostic tools for managers in Wales, particularly within SMEs.
- 3.1.3 First, it is very dangerous to assert that SMEs are 'poorly' or 'ineffectively' managed as a general rule. Whilst **formal** processes and qualifications may well be lacking in most SMEs – and, indeed, many much larger organisations - the ability to manage customers, funds, new products/ services, and staff **in practice** will often be apparent at a very high level. Owner-managers will typically have to address and resolve these issues satisfactorily if only to survive in competitive markets.
- 3.1.4 Secondly, however, SMEs are often **different** from larger organisations in the ways they think learning ought to be designed and delivered. *"Experiential learning and other informal methods of learning are ... more likely to be relevant ... Almost all (93%) respondents thought that more effective learning occurs if it is directed at solving problems for the business. In contrast, most (73%) agreed that agencies promoted training and development programmes that were not relevant or appropriate to their business⁵."*

⁵ 'Developing the business and developing the people' SFEDI/ FSB London 2003 page 7.

- 3.1.5 It does seem that better, more targeted management and leadership development is becoming of wider interest as a key development tool for the business as a whole – often in conjunction with other forms of advice leading to ‘a balanced approach to economic development’⁶. In general terms, *“Small businesses are the backbone of the British economy ... Failures are frequent and often are thought to be due to management and leadership weakness. ... helping improve the quality, calibre and capacity of leaders in (SMEs) can have a significant impact on the British economy”*.⁷
- 3.1.6 There is much criticism in the literature about many aspects of current UK practices and interventions: for example, *“We have identified a large latent demand for management and leadership development that is mostly immune to existing Government or supply-side interventions. ... there is little engagement between entrepreneurs and management and leadership development, particularly the formal offerings that are likely to receive public subsidy”*.⁸
- 3.1.7 There is also much information in the literature about the barriers faced by SMEs in particular over engaging in structured management and leadership development – often from a mix of resource constraints (particularly time, but including funding and reliable information) and cultural factors (lack of enthusiasm, few role models, a culture which resists ‘book learning’).⁹
- 3.1.8 Overall, however a key challenge – at the heart of the WMC’s ‘Pressing the Right Buttons’ report – is simply to translate a general view that effective management and leadership development is ‘a good thing’ into any sort of action. The parallel with people who ‘know’ they ought to take more exercise and improve their diet – but never quite do so – is drawn on in some depth.

⁶ WDA Consultation Paper 1: ‘Developing the Workforce in Wales’ March 2004.

⁷ ‘Joining Entrepreneurs in their World: Improving Entrepreneurship, Management, and Leadership in UK SMEs’ Council for Excellence in Management and Leadership 2003.

⁸ Council for Excellence in Management and Leadership ‘Raising our Game’ 2002 p.4.

⁹ See e.g. ‘Testing the Opportunity for Small Businesses’ DfES September 2002.

3.2 Diagnostic Tools

- 3.2.1 Our initial research design included important elements for reviewing current leadership and management self-diagnostic tools from both a theoretical and practical standpoint, if only to be sure any future Welsh tool would not simply be ‘reinventing the wheel’. We can now offer a rather different perspective because we are now clear that there are **not** large numbers of currently available tools which fall within the parameters for management and leadership self-diagnostic tools set out by the earlier work of WMC.
- 3.2.2 In essence, whilst we have identified several hundred tools or techniques which seem to have **some** element of identifying leadership or management skill strengths/ weaknesses, the numbers of currently available ‘pure’ leadership and management self-diagnostic tools is much smaller – in practice, a handful only.
- 3.2.3 This finding has parallels with what other researchers have found, for example: *“We have found no shortage of supply of management qualifications and learning opportunities. But the supply is mixed in quality, often inflexible, may lack practical application, is thin on leadership development, presents a confusing plethora of options to the consumer and is often not sufficiently customised to meet the needs of the organisation or the individual ... (we recommend a new) self-assessment diagnostic tool, designed and evaluated by entrepreneurs, to enable them to understand their own, and their staff’s development needs^{10 11}.”*
- 3.2.4 A review of the principal tools identified through the desk research is given in Appendix I, with none deemed to be meeting **all** of the requirements identified by the WMC and lying at the heart of this project. Looking at the overall list of available tools which address management and leadership in some shape or form, we believe 7 main categories are identifiable, and we refer to these again in Appendix I.

¹⁰ ‘Raising our Game’ op cit: pages 4, 19.

¹¹ The instrument recommended is, however, the Business Improvement Tool for Entrepreneurs (‘BITE’) considered in Appendix I and **not** achieving high levels of take-up.

- 3.2.5 **Business/ organisation-level diagnostic tools.** Investors in People is one example – particularly now that the ‘core’ National Standard has been augmented with the Management and Leadership Model¹², but a range of quality-related tools (e.g. EFQM Excellence Model) also fall into this category. Using tools like these may well indicate the need for leadership and management development initiatives to be undertaken, and give important indications of relevant priorities and outcomes to aim for.
- 3.2.6 Yet these are tools which look primarily at the performance of whole organisations (or at least significant parts of organisations). They will not give the specific, personal diagnostic information to meet the criteria identified by WMC and summarised in 1.2.6 above, however: they are simply not designed to do so.
- 3.2.7 **Training needs analyses:** Many examples can be quoted (e.g. those available through NTOs/ SSCs). Broadly speaking, individuals either from within the organisations or ‘expert outsiders’ look at the levels of imbalance between the skills within the organisation at a particular time, and those skills thought to be needed for good performance either at that point or in the future, leading to targeted training activities to bridge this gap.
- 3.2.8 In essence, similar points to those made in relation to business/ organisation-level diagnostic tools and techniques apply. Training needs analyses may point to the need for some form of leadership/ management development from the perspective of the organisation as a whole, but will not normally support **self**-diagnosis at the level of the individual owner or manager.
- 3.2.9 **Organisation-specific tools:** Particularly in larger organisations, much management and leadership development activity is triggered through internal appraisal/ review procedures, and techniques like 360⁰ feedback. These can clearly align well with self-diagnostic approaches, but gather data from a very different perspective – drawing primarily on the perceptions of colleagues and performance against previously-agreed objectives. They may also be less easy to implement in SMEs where anonymity in feedback is difficult to guarantee, and ‘critiquing the boss’ is

¹² See ‘Leadership and Management’ IiP UK 2003

likely to be approached with considerable caution at best.

- 3.2.10 **Informal/ verbal tools/ discussions:** It is clear that many of those advising SMEs about leadership and management issues specifically, and wider business development matters in general, will be glad to discuss leadership and management development needs and priorities for a particular individual and SME, and lead on to suggesting appropriate solutions as a result.
- 3.2.11 Examples would vary from 'generic' small business advisers looking at short-term options for improved 'bottom line' performance, through to staff at business schools discussing options when individuals approach them about 'doing something' to improve their management skills and performance. Whilst there are many advocates for this being a particularly effective route to follow, we do see it as lying outside the field of self-diagnostic tools (although it may be that more in-depth individual discussions would form an appropriate follow-on stage after self-diagnosis in many instances).
- 3.2.12 **Psychometric/ personality tests:** It is thought that various publishers offer around 1,000 alternative tests in the UK alone to give information about individuals' personal preferences, working styles, critical thinking abilities and so on. Some tests (16PF, MBTI, etc) have been established for many years, and have a proven track record in giving insights into **some** of the issues at the heart of the self-diagnostic tool being considered in this project.
- 3.2.13 They are not designed to address all of these issues, however - typically giving no information about functional (e.g. finance, marketing) or industry/organisation-specific capabilities. It is also worth noting that reputable tests will normally need to be administered, scored and fed back by someone with recognised training and certification, and that a thorough test battery will often take 3 hours or more just for a candidate to complete (i.e. not including scoring, analysis and feedback).
- 3.2.14 **Preparatory/ product-specific tools:** When individuals show a clear interest in a particular management or leadership activity, there are many examples of tools to help them identify the most appropriate level for them (e.g. Learndirect), or prepare for it (e.g. identifying the most relevant

modules for FE/ HE programmes). These approaches may incorporate other tools and techniques (e.g. psychometric tests) but seem to represent a step **after** that envisaged for the self-diagnostic tool at the centre of this project.

- 3.2.15 **‘Pure’ Self-diagnostic tools.** We have pointed out already that there are **not** large numbers of ‘pure’ self-diagnostic tools currently available for assessing management and leadership strengths and development needs. Several can be pointed to, however, and we understand more are under development¹³. We looked in detail at the Managerial Assessment of Proficiency (MAP) tool¹⁴, and in particular at the (significantly shorter) on-line Functional Test ‘front-end’.
- 3.2.16 MAP, and the associated Functional Test, centre on a range of competencies, management styles, and personal values. These structures differ from the new National Occupational Standards for managers, but we are informed that cross-referring to the new standards can readily be achieved. Experiences of using MAP are building steadily,¹⁵ leading to evidence that these tools can be both valuable in their own right (e.g. as the basis from which managers can reflect on their own strengths and weaknesses) and capable of linking effectively with other support (particularly targeted training to improve performance).
- 3.2.17 MAP and products like it show that gaining managers’ interest in good-quality self-diagnostic activity certainly can be achieved **with the right kinds of support and promotion**. It is worth noting, however that at present tools like MAP may well not meet several of the parameters set out by WMC and summarised in para. 1.2.6. In particular, it will normally take several hours (up to 2 days in the case of MAP) to complete much more than a ‘taster’ of the whole exercise. Further, the levels of technical expertise required (e.g. in the Development Processes Group (DPG) Functional Test) **may** appear to favour those with formal qualifications already, rather than competence derived from on-the-job learning.¹⁶

¹³ E.g. for Institute of Leadership and Management

¹⁴ Published by DPG (MAP) Ltd 93 Walkden Road, Worsley, Manchester M28 7BQ.

¹⁵ E.g. with Advantage West Midlands.

¹⁶ Questions are asked, for example, about reasonably detailed high-level formal management development techniques (e.g. Blake & Mouton); formal approaches to Quality (Deming, etc). These and other examples point to topics **not** likely to be familiar to almost all SME owner/managers.

3.3 Management and Leadership Development in Context

- 3.3.1 To structure thinking about how a self-diagnostic tool might fit into other kinds of management/ leadership development support, we carried out a secondary analysis of our data about how SMEs in particular may currently access **any** management and leadership development activities. This analysis drew on information gathered from key informants and SMEs themselves (see sections 4 and 5) as well as the desk research.
- 3.3.2 Figure 1 below summarises the main ways in which SMEs currently may access management and leadership activities of various kinds. In this analysis, at least 4 points of initial contact (column 1) can be identified (via banks/ accountants, public sector business advisers, providers of development programmes, etc). This will lead to a number of differing formal or informal initial responses (column 2) and an even wider range of possible outcomes (column 3).
- 3.3.3 Ideally, a single self-diagnostic tool would provide worthwhile information not just at, say, the point at which a fairly general enquiry is made to a bank or a friend (cell A1), but also when an SME owner/ manager is starting on a definite development programme (cell C3). We return to these points later, but clearly this analysis points to a need to introduce a self-diagnostic tool to potential users with a degree of care, and to support its use through effective integration with other sources of support and practical development activities.

Figure 1: Some of the Ways in Which SMEs May Currently Access Management and Leadership Development

1. ACCESSING SUPPORT	2. SUPPORT PROVIDED	3. POSSIBLE LEADERSHIP/ MANAGEMENT OUTCOMES	4. STRENGTHS	5. WEAKNESSES
A: SME approaches business support/ advice routes they currently work with (accountants, bank managers, other businesses)	General advice regarding business and personal development (often informally)	Ideally, referred on to suitable source of more specialist advice	High trust relationships mean advice may well be taken up. Can lead on to a wide range of outcomes, not constrained by supplier priorities. Often seen as practical, relevant to business needs.	Inconsistent; heavily dependent on the skills/ contacts of individuals in question. No reason for management and leadership issues to be identified or addressed effectively.
B: SME approaches business advisory agency (e.g. Business Eye, enterprise agency, maybe SSC)	General business advice; referring-on to more specialist sources of support.	SME put in touch with reputable supplier of services; good-quality support provided.	Widely available; low initial cost; good network of referral agencies.	Poor image with (some) SMEs; much depends on the skills/ contacts of individual adviser; some concerns about the availability of really relevant, effective programmes.
C: SME approaches providers of training/ development programmes direct (colleges, private trainers, professional bodies, IoD, etc)	Access to 'generic' or 'tailored' programmes aimed at SMEs	Attendance at relevant programme.	Many programmes readily available (not necessarily precisely targeted at individual needs); evidence of increasing flexibility in provision; qualifications may be available.	Time away from the business may be problematical; 'generic' courses not always seen as relevant; (sometimes) poor image in the minds of SMEs; evidence of continued lack of flexibility ('term-only; daytime only'); cost in some cases; difficult to assess relevance/ benefits in advance.
D: SME owner/manager 'goes it alone' - conducts own research	Internet searches, library information, journals, etc.	Likely to encounter to a vast array of leadership and management tools – especially from US sources	Flexible; 'owned' by the owner-manager.	Confusing; 'hit and miss'; difficult to assess quality/ relevance; might well end up with local advisers/ providers anyway.

4. Key Informant Interviews

Overall Perspectives

- 4.1 We gained excellent levels of interest and support from a variety of ‘key informants’ from organisations including major public bodies (WDA, ELWa, WAG), business support organisations (enterprise agencies, SSCs), training providers and FE/ HE colleges, representative bodies (FSB, IoD) and a number of others (private sector consultants, developers/ publishers of various materials). More information about interviewees is given in Appendix V.
- 4.2 Key informants confirmed most of the points identified through the literature review, including a strong belief in the importance of management/ leadership development in improving overall organisational performance – but high levels of caution about most SMEs’ likelihood of ‘doing anything about it’. One point frequently stressed centred on what is widely seen as a complex, *“often confusing”* range of sources of information about business development in general, and often management/ leadership development in particular: *“Who are the gatekeepers for all of this? Where do they get their information? What would they **really** know about something like this?”* (representative body).
- 4.3 This tended to be coupled with concerns about the quality and relevance of some of what is on offer. *“I see a very confusing picture. If people want to improve their management skills, it’s not easy for them to know how they should go about it. They’ll see ‘initiatives for this and that’. It’s very difficult to tell the wheat from the chaff – in the sense of getting something that’s really relevant, just doing what’s needed, conveniently and accessibly”* (business adviser). These points paralleled many of those made in the ‘Raising our Game’ report about *“a confusing plethora of options (presented) to the consumer”* which may be *“inflexible, may lack practical application”* - which we have quoted already.
- 4.4 Having said this, several interviewees who are responsible for, or know of, what they see as *“well-designed, good quality”* management or leadership development initiatives can often (not always) describe major challenges in gaining support from sufficient numbers of SME owner-managers. *“It can be hard to attract peoples’ attention: partly it’s scepticism, partly it’s not knowing what they don’t know ... partly it’s lack of time (but they do seem to have time to do what they really want to*

do ...”). Good results can be achieved, however: as well as this kind of information coming from key informants, the SME interviews covered several individuals who are very positive about particular programmes they have taken part in.

Diagnostic Tools

- 4.5 For most key informants, direct experience of self-diagnostic management/ leadership tools was low – partly because of the general lack of significant numbers of ‘true’ tools in this category we have described already, but often because their areas of interest and expertise were rather different. *“It’s important to look at the business as a whole, not necessarily assume people need this sort of development, or that sort of development”* (liP practitioner); *“We want to help develop sustainable, successful businesses – management skills are an important element, not the only one”* (business adviser). *“People come and say ‘we’re interested in your ... programme’; we say ‘fine but come in and have a chat first, talk about whether it’s the right thing for you before you start; do some tests; look through some options for modules’. They sometimes change their minds. We sometimes say ‘we don’t think you’d make it’ and don’t let them start ...”.* (HE lecturer).
- 4.6 Key informants stressed the challenges which have been seen in the past in gaining SME interest in management or leadership development initiatives – and which would have to be overcome if any self-diagnostic tool were to gain acceptance in the future. Four main categories of concern arose:
- 4.7 **Time and other pressures:** Key informants were clear that, for many SMEs finding the time to address leadership and management development issues really is a problem. *“You have to accept that a lot of people (particularly in the very small businesses) are working an awful lot of hours, thinking only a day or two ahead – firefighting, really. It’s very hard to take a step back, think ‘management’, ‘strategy’ ... or ‘do a test’”.* Similar points sometimes apply to costs: *“There isn’t a lot of money in quite a few of the businesses we deal with ... just the funds involved with an MBA, say, rule it out”* (business adviser).
- 4.8 **SME owners’ attitudes and abilities:** Running successful small businesses requires many skills, *“but not necessarily thinking deeply about things. Activities like ‘plan’, ‘manage,’ ‘develop’ – they’re sometimes proud to say they don’t do them”* (training provider). We need to stress that many SMEs certainly are aspiring to achieve higher levels of management and leadership performance, but this is

clearly a minority at the moment. Additionally, many successful business people have limited academic achievements, and may not value these capabilities and the 'book learning' they represent. *"Quite a few are just too arrogant to realise the importance of the issue; others haven't the basic ability to go through a process of assessing their strengths and weaknesses ..."* (business support organisation).

- 4.9 **Lack of clear routes into effective leadership and management development programmes:** *"Everyone knows how to go to their accountant or bank manager, hardly anyone knows how to sort out management development"* (training provider) summarises a major series of concerns about lack of role models, patterns of behaviour and basic awareness of management/ leadership development options. A number of successful programmes for SMEs certainly have been run in Wales – by enterprise agencies, FE/ HE colleges and others (albeit much less often by the private sector on a non-subsidised basis). Gaining support has usually required considerable effort, however, with the most effective way of recruiting appropriate individuals typically requiring a combination of word-of-mouth 'authentication' from other SMEs and careful 1:1 briefing from those running the programme.
- 4.10 **Programmes which are/ have been provider-led rather than SME-led:** The FSB report 'Lifting the Barriers to Growth in UK Small Businesses'¹⁷ concluded that *"many courses"* are geared more towards what is convenient for providers (particularly FE/HE colleges) to deliver, rather than to the needs of small businesses, for example through provision being offered at inappropriate centres and inconvenient times. Our interviews with key informants tended to repeat these concerns – although providers themselves pointed to *"a lot of work to make things more accessible – bite-size options, evening programmes, not-just-term-time – that sort of thing"*.
- 4.11 Views about the usefulness of tools were inevitably constrained by low numbers of tools currently available which could **really** be categorised as management and leadership self-diagnostic instrument to refer to, and very varied perceptions of *"what something like this might actually look like"*. Key informants did, however, urge us to be *"realistic"* in supporting any plans for developing a self-diagnostic tool for managers – particularly in SMEs: *"Most would never use it, never even look at it."* Key informants told us that a proportion of *"brighter, more enlightened"* SME

¹⁷ Federation of Small Businesses, *Lifting the Barriers to Growth in UK Small Businesses – The FSB Biennial Membership Survey, 2004*

owners and managers might well find such a tool worthwhile – provided a number of requirements were met including the need for any tool to be:

- demonstrably relevant to owner/managers of SMEs, particularly if financial benefits can be anticipated
- sufficiently jargon free, not appearing ‘theoretical only’;
- attractive, with an enticing ‘brand image’;
- directed towards managers not part of big, hierarchical structures;
- available to those both with and without access to the internet;
- capable of identifying specific needs, then indicating clearly how those needs can be met;
- needing only a ‘reasonable’ length of time to complete;
- available at a ‘reasonable’ cost;
- maybe linked to case studies relating to SMEs that have completed the process;
- offering tangible benefits;
- independent, robust – managers/ owners need to know results will be treated confidentially, and can be relied on.

Many links with points already identified by the WMC (see para. 1.2.6 above) will, of course, be readily identified.

- 4.12 Bearing in mind the strong recommendation in ‘Agenda for Action’ that the use of a self-diagnostic tool ought to be supported by an effective ‘infrastructure’ to “*ensure that managers can find a quick and easy route to development opportunities ...*” we were keen to discuss with key informants how any tool might link into wider programmes of development and support. Results here were overwhelmingly positive – subject to the points about the need to improve the general management/ leadership ‘infrastructure’ we have made already.
- 4.13 To start with, providers of current programmes were confident that a tool **could** help build appreciation of the development needs their programmes address, not only encouraging more SME managers to attend relevant programmes, but helping them to prepare better for these programmes and apply what they learn more reliably.
- 4.14 Those offering more broadly-based business support pointed to potential benefits from “*another way of addressing the key issue for lots of businesses, how they’re managed*” – with opportunities for offering a **range** of development opportunities as

a result: *“mentoring, seeing how other people do it, going to a few seminars, whatever – provided they have a clear picture of where they are and where they ought to be going”* (business adviser).

- 4.15 Even more radical options may become feasible, perhaps including linking other forms of support (grants, loans) to information about current management and leadership skills gathered through a self-diagnostic tool, along with evidence that they will be actively developed in future.
- 4.16 Central to all of these views is, however, the challenge that any self-diagnostic tool should meet several highly demanding requirements simultaneously – being reputable, enticing, well-supported, robust, reasonably quick to complete, and so on. *“Just another ‘initiative,’ something superficial and seen as ‘pushing public-sector solutions’ would be worse than useless. It would make a poor position worse”* (representative organisation).

5. SME Interviews

- 5.1 Initial plans for collecting information about SMEs' views and experiences relied on contacting 30 owners/ managers through intermediaries so that individuals with at least some exposure to management/ leadership development issues might be asked to provide information, rather than 'SMEs in general'.
- 5.2 Problems arose in getting the sort of data we needed from initial contacts with intermediaries, so a sample of 25 'general' SMEs were identified from standard databases and interviewed using the topic guide given in Appendix III. Subsequently, a group of 28 'informed' SMEs was identified through different intermediary organisations, and again telephone interviews took place using the topic guide in Appendix III. In all cases, responses were content-analysed and – although this was never intended to form a representative sample of Welsh SMEs – a summary of the overall levels and proportions of particular issues being raised was maintained.
- 5.3 Although not following the original work plan, this approach brought a number of benefits. In particular, the likelihood that most SMEs will have absolutely no experience of, nor interest in, management and leadership development was amply confirmed. Whilst management and leadership processes *per se* might well be working effectively (several firms contacted seemed to be achieving appreciable business success), it appeared that the likelihood of them showing interest in formal development programmes in the foreseeable future was low.
- 5.4 Even when we extended our sample to include more 'informed' SME owner/managers, awareness levels about self-diagnostic tools and appropriate development routes were often very limited. A small proportion (10-15% only) mentioned liP as a way of promoting 'better management'; particularly because this group included students on an MA in Enterprise and Management Development, several were actively engaged in practical and challenging development programmes, but even here several were candid in their views e.g. *"I didn't know what was out there; the only diagnostic work I've done was part of this programme"* (software business).
- 5.5 Most of the 'informed' SMEs contacted during this research recognised the importance of management (although perhaps not leadership) skills in principle – but this did not always translate into any form of practical action, maybe for

reasons identified already like pressures on time, but in many cases because of “*not knowing where to go*” and “*confusion because of all the millions of organisations who want to tell you how to do your job*” (retail business).

5.6 Perceptions about currently available management and leadership development programmes (usually based on supposition rather than direct experience) were usually negative, and included:

- not delivered at convenient locations
- not delivered at convenient times
- poor relevance/ quality
- not supported by attractive grant assistance (although several indicated that “*finance wouldn’t be a problem if you could be sure it would pay off for the business*”).

5.7 Some of the other constraints likely to influence the successful introduction of a self-diagnostic tool for managers in SMEs, and/ or higher-profile management/ leadership development programmes described by SMEs, were categorised by the research team as:

- Lack of ambition to grow significantly
- Organisation size: very small businesses may find leadership/ management issues in general hard to relate to
- Being very busy - “*no thinking time*”
- Older owners “*not really interested in any sort of development*”
- Lack of formal education; limited personal literacy/ numeracy among some owner/ managers
- Lack of choice; perceptions that “*there isn’t any good-quality, flexible private sector provision*”.

Need and Demand

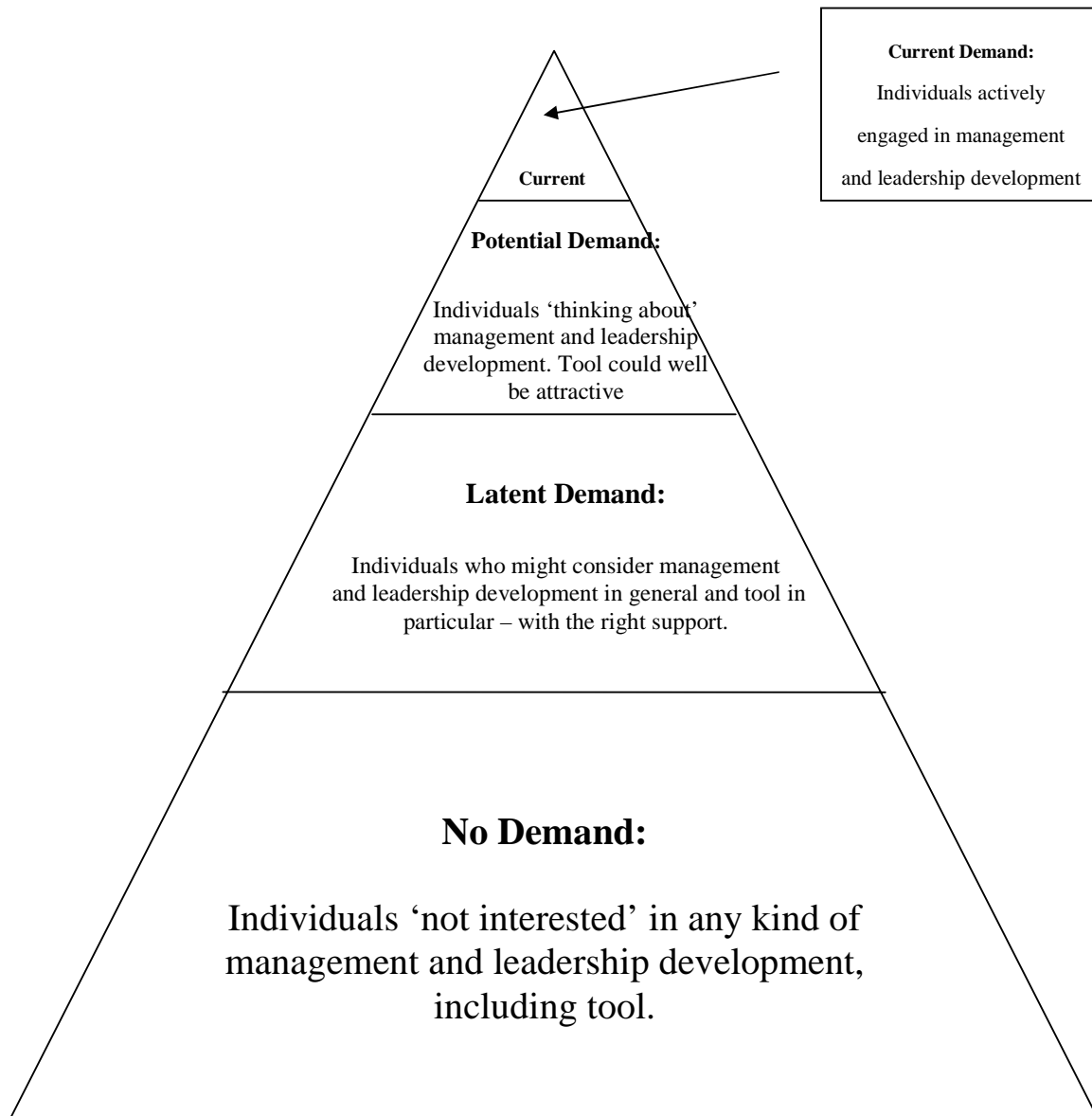
5.8 It is important to recognise the sorts of messages SMEs were giving in relation to a possible management/ leadership diagnostic tool. We have pointed out that our key informants and much literature indicates a major **need** for SMEs to improve their management and leadership skills – with a self-diagnostic tool, potentially, offering important opportunities for helping address this need. SMEs did not, overall, deny this need – either because they agreed it exists, or because they described concerns about business performance which could be implied as

stemming from sub-optimal management and leadership capabilities.

- 5.9 Yet levels of formal **demand** for such a tool are currently very low – in the sense that few if any managers are currently expressing interest in using one and, if one were to be introduced tomorrow, there is no reason to expect significant take-up without a good deal of active promotion and support. Current demand is, of course, constrained by a lack of examples which would have allowed interviewees to “*see the sort of thing you’re on about.*”
- 5.10 Latent demand, in the sense of managers who are already ‘thinking about’ some sort of management/ leadership development and who **could** find a tool “*a good starting point*” is clearly higher again, as is the category of owners/ managers who ‘might consider’ management or leadership development tools if “*they got presented in the right way*”. This parallels findings from other studies to the effect that “*Raising demand needs to be orchestrated at many levels*¹⁸” if significant levels of take-up for management and leadership development in general, and self-diagnostic tools in particular, are to be achieved.
- 5.11 Even with active promotion and support, this study does confirm the view that there is likely to be a major ‘rump’ of managers and owners who are very unlikely to consider any form of management/ leadership development in the foreseeable future, and so – irrespective of underlying need - representing no demand for a possible management and leadership development self-diagnostic tool. This position is summarised in Figure. 2.
- 5.12 Our limited data collection programme pointed to the proportions of SMEs in the 4 elements within Figure. 2 being roughly as presented there – that is to say with easily the largest proportion lying in the ‘no demand’ element. Our data collection programme did not include a representative sample of SMEs, however, and it may be that further work to undertake pilot management skills audits and gain more information about these different categories of demand should be considered by ELWa or appropriate partner organisations.

¹⁸ ‘Raising our Game’ p.18

Figure 2: A Representation of Current Demand for Management and Leadership Development Self-Diagnostic Tools



6. Developing a Framework

6.1 'Agenda for Action' and subsequent follow-up work by the WMC set the starting point for this study, and by referring back to para. 1.2.6 we have a basis for developing a potential specification and framework for a possible self-diagnostic tool for management and leadership development needs. We consider each element in more detail below, therefore – reviewing the evidence we gathered through desk research, key informant and SME interviews, and also suggesting a number of areas not addressed by this initial list.

6.2 **a) *based on the new occupational standards for managers***

SMEs are not aware of concepts like occupational standards, but it **does** seem appropriate to follow this structure: no alternative is likely to offer this level of rigour and take-up, and consistency with other aspects of development programmes (e.g. accreditation) may emerge as attractive in due course – if only for a minority.

6.3 It is important to remember that covering all aspects of the new standards will probably not be appropriate. A number of interviewees stressed the likelihood that most SME owners/ managers would probably seek development in a small number of areas only (e.g. meeting customers' needs, financial management) in the light of particular personal or business needs, rather than anything 'comprehensive'.

6.4 Language within the standards (e.g. "*Ensure compliance with values, ethical and legal frameworks*") is "*not always SME-friendly*" (business adviser). This should not present problems, however: correctly designed programmes ought to be able to present tasks and materials which are comprehensible and relevant.

6.5 **b) *of immediate interest to managers who give little thought to personal development***

Widely accepted, and crucial to the success of any self-diagnostic tool. The challenge will be to **deliver** against this requirement, particularly bearing in mind the wide range of preferences, backgrounds and abilities in the target group for the tool.

- 6.6 We tended to assume that the tool would be free-standing, but several interviewees pointed out the opportunities for business support agencies both to promote the tool to potential users effectively, but also to use it to augment and support other programmes: in practice, we see this 'mediated' approach to using the tool bringing a range of benefits in appropriate circumstances.
- 6.7 There is also likely to be a strong case for using an initial self-diagnostic tool as part of a two-stage process, with the second stage looking in much more depth at the issues pointed to by the self-diagnostic instrument itself (see g)).
- 6.8 **c) *designed for use by hard-pressed, time-poor SME managers***
- Same points as for b) apply.
- 6.9 **d) *attractive, stimulating and user-friendly***
- Same points as for b) apply.
- 6.10 **e) *available on-line***
- Widely supported, but only if paper-based options were available too: many of the target audience do not have access to on-line systems, or may lack the confidence to use them.
- 6.11 **f) *relevant to SME needs***
- Widely accepted, but with a number of implications. First (as in a)), opportunities for concentrating only on a small number of high-priority development needs may have to be built-in at an early stage.
- 6.12 This may point to the need for a two-stage process (see g) below). An overall 'health check' will probably be of interest to organisations and individuals alike. In most cases, however, moving fairly quickly to high priority areas for development will be important to many (often likely to lie within 'lead business operations' and 'working with people' categories, according to both our key informants and SME interviewees).

6.13 Secondly, however, the tool would need to have sensitivity to the business environment owners/ managers work within. This points to the need for “*minimal big-company jargon, assumptions of lots of back-up*”, but also a recognition that business development needs may drive what is done at least as much as managers’ personal needs.

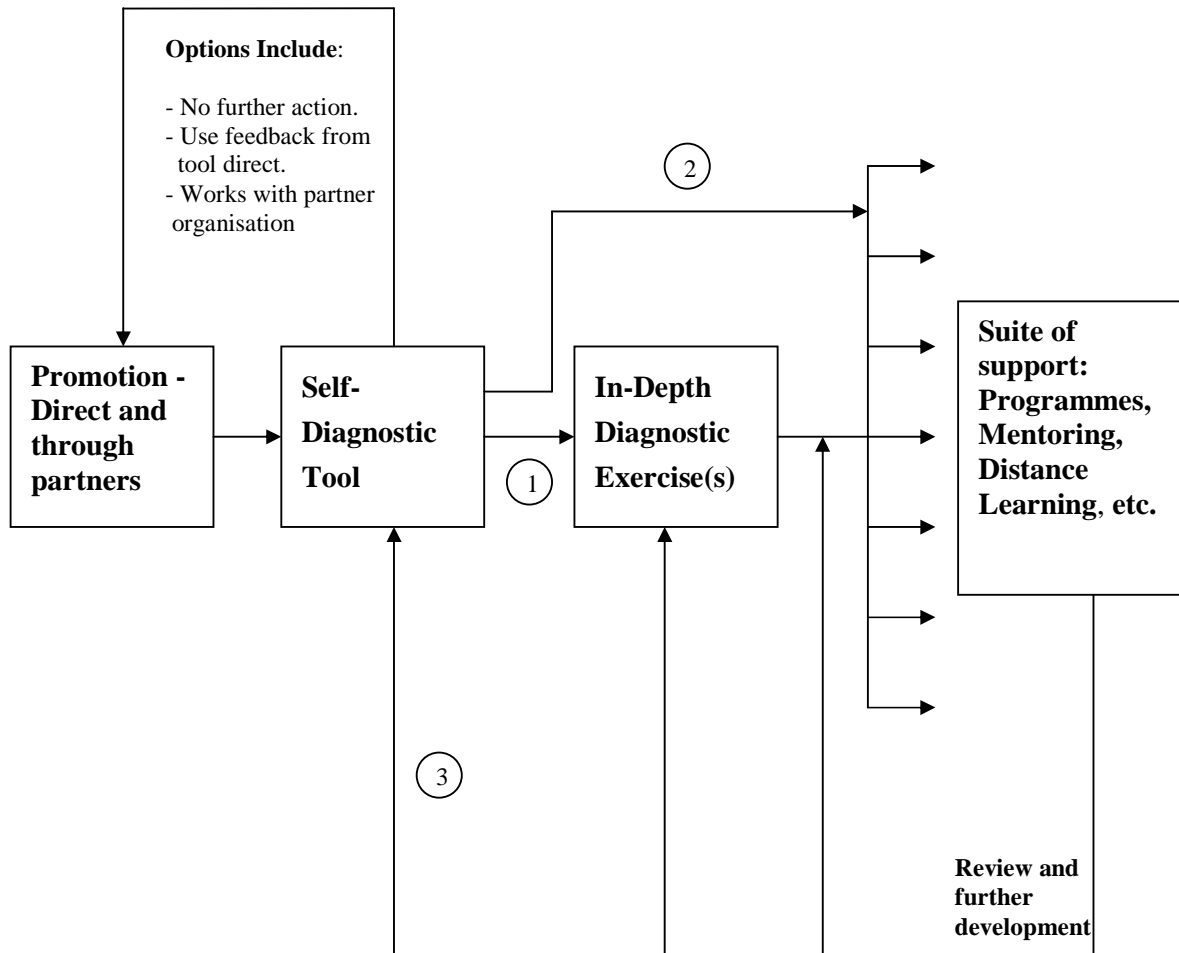
6.14 **g) able to be completed (in part at least) in no more than 20 minutes**

Patterns of busy managers having strictly limited time to spare were certainly confirmed by this project but two problems could arise if this requirement were met, but with no clear ‘follow-on’ exercises. First, some managers within SMEs would be concerned about ‘once-over-lightly’ exercises. Despite frequent stereotypes, many SME owners and managers do have high levels of qualifications and management development experience. Whilst potentially interested in further development (‘informed’ managers would probably take up a self-diagnostic tool more quickly than others if one were available) they would soon become disillusioned with anything they saw as ‘superficial’ or ‘unsophisticated’.

6.15 The second point centres on how reliable a very quick instrument might be – other approaches (e.g. those used by HE institutions prior to programmes, through MAP) take up to 2 days to provide development plans and profiles.

6.16 The answer to both these points may well come through the development of a two-stage approach. Although an effective self-diagnostic tool could certainly be free-standing, it might best emerge as something to attract a manager’s initial interest, giving a pointer/ screen for further diagnostic work - to ensure development action is targeted at individuals’ precise strengths and weaknesses within their working environment. Figure 3 summarises a potential model for these kinds of interrelationships.

Figure 3: How a Self-Diagnostic Tool for Assessing Management / Leadership Skills Might Link into Other Sources of Support



- ① Use of tool as an introduction to more in-depth diagnostic work
- ② Use of tool leads to specific development activity / activities
- ③ Identifying 'distance travelled'

6.17 **h) identify strengths as well as weaknesses**

Widely supported: a number of SME and key informant interviewees were clear that *“managers need to know what they’re good at too; they have no basis for comparison; they think they’re managing some things badly and they’re not.”* As well as the obvious point about targeting development actions on the areas where they are most needed, confirmation of strengths will almost certainly boost many managers’ confidence and readiness to take on challenges elsewhere.

6.18 **i) point to development needs**

Widely supported: it is clear that the tool *“must point to opportunities for taking practical actions”*. Issues about covering business as well as personal development needs, and (probably) pointing to more detailed diagnostic approaches to identify development needs with greater precision have been made already.

6.19 It will also, however, be important for those taking up a possible diagnostic tool to be confident that if particular needs are identified, they will be able to address them in convenient, flexible, cost-effective ways. This may well include targeted programmes, seminars, training and so on, but it may just as easily point to reading, seeking feedback, mentoring opportunities with others in a similar position, and personal practice and reflection.

6.20 The key points about developing a high quality management/ leadership development ‘infrastructure’ certainly bear repeating, along with the ‘virtuous circle’ where *“Customers understand the concept and benefits of developing themselves as managers and leaders, and are able to articulate their demands, to ensure that the supply-side actively meets their needs.”*¹⁹

6.21 **j) available, at no cost, to anyone who wishes to use it.”**

Probably inescapable, at least to launch the tool and gain interest. For the ‘right’ tool, however, cost would be less of an issue. One SME owner was clear: *“Free and useless is a waste of time; a fair price if it’s good isn’t a problem”*.

¹⁹ ‘Pressing the Right Buttons’ p.10.

- 6.22 These considerations led up to a draft specification for a self-diagnostic tool to help managers identify management and leadership development needs given in Figure 4. The draft specification was then subjected to critical review and development through discussions with ELWa and the WMC, and a series of focus groups with SME owners and managers.

Figure 4: Draft Specification for Self Diagnostic Tool

(Note: elements in italics represent changes to the initial specification given in para. 1.2.6.)

The tool should:

- be based on the new occupational standards for managers
- *cover all potentially relevant competencies, but 'home in on' high priority areas rapidly*
- be of immediate interest to managers who give little thought to personal development
- *link into other business support activities where appropriate*
- be designed for use by hard-pressed, time-poor SME managers
- be attractive, stimulating and user-friendly
- be available in *paper-based and on-line* formats
- be relevant to SME needs – *both the needs of owner managers themselves, and needs of the business*
- be able to be completed (in part at least) in no more than 20 minutes
- *lead on to more in-depth diagnostic techniques where appropriate*
- identify strengths as well as weaknesses
- point to development needs
- link into a range of high-quality, flexible development activities
- be available, at no cost, to anyone who wishes to use it (*high-quality follow-on programmes ought normally to be charged for, however*).

7. Revised Specification

- 7.1 As we pointed out in Section 2, we gathered comments on the draft specification for a management and leadership development self-diagnostic tool (see Figure 4 above) from ELWa and the WMC, from 3 focus groups of owners/ managers from SMEs, and through a very wide range of informal comments from interested individuals from SMEs who formed, in effect, an additional ‘virtual discussion group’.
- 7.2 Several basic issues need to be stressed at the outset. The point that most SMEs demonstrate no current **demand** for a self-diagnostic tool to assess management and leadership strengths and weaknesses (see section 5) needs to be repeated.
- 7.3 Recent changes to ELWa funding arrangements for training/ development had also been an issue for a minority of the SMEs involved in our discussions, with the uncertainty in particular *“not being at all helpful”*.
- 7.4 Yet to confirm the point that underlying levels of **need** are much greater, and that higher levels of **demand** can be encouraged given careful presentation, the research team were genuinely surprised at the enthusiasm for ‘some form of’ self-diagnostic tool. Groups often ‘talked themselves into’ a position where an appropriately designed and supported tool was seen as capable of addressing at least some of the concerns they see within their own organisations, and those they know of elsewhere.
- 7.5 Most of the points covered in Figure 4 were reinforced even more strongly by this part of the overall work programme (testing a ‘revised’ specification). In particular, it was consistently indicated that any tool must:
- have attractive, interesting presentation
 - have good links with other business support services
 - be quick to complete (but must not be ‘superficial’)
 - offer more in-depth options for ‘high priority’ topics
 - support achieving business priorities, not just managers’ “bright ideas”
 - lead to timely support being available for those completing the tool, to avoid the danger of people *“putting it to one side; then forgetting to do much with it”*

- lead clearly onto good-quality development support and programmes.

7.6 Specific points made to develop further the draft specification in Figure 4 included:

- using case studies to promote the tool
- the attraction of having a 'facilitated' option – working with an adviser or development specialist for those welcoming this kind of support
- using the tool several times to assess 'distance travelled' as the manager improves his/ her skills
- being able to be used even with 'not interested' managers as a way of getting their attention - *"it would have a bit of a curiosity value ..."*.
- generating results that clearly segregate out 'management' and 'leadership' capabilities, which may differ in terms of the roles people fulfil, and the development routes which are feasible/ appropriate.

7.6 These inputs suggested a need to revise the draft specification somewhat, to give the version outlined in Figure 5.

Figure 5: Revised Specification for Self Diagnostic Tool

Note: elements in italics represent changes to the initial specification (as in Figure 4); elements in bold are additional changes to Figure 4.

The tool should:

- be based on the new occupational standards for managers
- *cover all potentially relevant competencies, but **be capable of 'homing in'** on high priority areas rapidly*
- **offer modules and options, so that managers may gain more detailed information about key areas for them/ their organisation**
- be of immediate interest to managers who give little thought to personal development; **minimise the use of jargon, and terms which will not be familiar to those without formal management education**
- *link into other business support activities where appropriate, **both for promoting the tool and supporting the implementation of its findings***
- be designed for use by hard-pressed, time-poor SME managers
- be **attractively presented**, stimulating and user-friendly
- be available in *paper-based and on-line* formats
- **be capable of effective use both as a 'free-standing' tool and through 'mediated' discussions with an adviser**
- be relevant to SME needs – *both the needs of owner managers themselves, and the needs of the business*
- be able to be completed (in part at least) in no more than 20 minutes; **if modules are available, these will almost certainly take longer**
- **give results that are seen to be 'robust', 'reliable'**
- *lead on to more in-depth diagnostic techniques where appropriate*
- identify strengths as well as weaknesses
- point to development needs
- **be capable of periodic re-use to assess 'distance travelled'**
- link into a range of high-quality, flexible development activities **so that findings can quickly and effectively be acted on**
- be available, at no cost, to anyone who wishes to use it (*high-quality follow-on programmes ought normally to be charged for, however*).

8. Conclusions

8.1 The formal objectives for this project required us:

- To undertake research with SMEs to gain an understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review the current diagnostic tools against the requirements identified by the SMEs, the WMC, ELWa, and the WDA, producing a SWOT analysis of the existing tools.
- If supported by the research with SMEs and others, to produce recommendations for the development of a self-diagnostic leadership and management tool including a detailed specification and a project plan for implementation.

Awareness, Use, Requirements

8.2 In terms of awareness of, and use of, diagnostic tools to assess management and leadership development needs, current levels are very low. An honest assessment of immediate **demand** for a self-diagnostic management and leadership skills tool would have to reflect this, and take-up would be low without active promotion and support.

8.3 Yet most key informants and our more 'informed' SME interviewees indicated significant **need** for such a self-diagnostic tool: poor management and leadership really are constraining many Welsh SMEs' performance. A well-designed tool could not only raise interest in improving these skills, but also make current support programmes more effective through participants being better prepared and able to target what they do on a more systematic assessment of their own strengths and weaknesses.

8.4 The gap between current needs and current demands arises partly because of generally low levels of engagement in any management/ leadership development on the part of a high proportion of SME owner/managers. A number of interviewees and literature sources suggested why this is the case, for reasons which range from past problems with the supply of appropriate programmes, through to genuine constraints on time and other resources.

Currently Available Self-Diagnostic Tools

- 8.5 Low levels of current demand for self-diagnostic instruments are compounded by few, if any, tools being available to help owners/ managers “see *what might be involved*”. Inevitably they find it difficult to comment on something they have not seen, and cannot clearly comprehend.
- 8.6 This study indicates strongly that there are very few currently available self-diagnostic tools which meet even a majority of the criteria at the heart of the project. It is always possible that something new and impressive will emerge, for the general topic of enhancing leadership and management capabilities remains of much current interest. As far as we can tell, however, even those tools and techniques which are thought to be under development (e.g. by ILM) seem likely to address significantly different criteria to those summarised in Figure 5.
- 8.7 The extent of this finding tends to contradict a frequently expressed view that “*there are a lot of tools out there to tell you what your strengths and weaknesses as a leader or manager are supposed to be*”. Whilst there are many tools which can be used to say something about an individual’s leadership style or managerial preferences – perhaps drawing on one of the many psychometric tests on the market - all but a handful fail to give the rounded picture, anchored in something like the New Occupational Standards for Managers, called for by the data we gathered.

Developing a Tool

- 8.8 The gap between currently low levels of **demand** for a self-diagnostic tool, and what are widely seen as appreciable levels of underlying **need**, can be explained by the levels of potential and latent demand apparent throughout our second wave of data collection (the focus groups and other discussions with SMEs).
- 8.9 These discussions pointed to opportunities for bringing out much higher levels of interest in a self-diagnostic tool, first if meets **all** of the criteria in Figure 5 (‘attractive’, ‘of immediate interest’, etc) **and** secondly if it is introduced, presented and promoted to SMEs in ways which attract their attention, and indicate ‘there is something in it’, not only for individuals but for the organisations they work in too.

- 8.10 It is very difficult to estimate levels of take-up which might ever be attainable for a self-diagnostic tool. Nevertheless with around 80,000 VAT registered businesses in Wales, and very many more micro-businesses, even a 5% 'market share' would reach large numbers of managers and SMEs and could have a significant effect on the overall levels of formal management and leadership development activity they take part in.
- 8.11 If there is one theme to stress from this project it is the importance of linking any diagnostic tool to other sources of advice and support, to enable effective marketing through coordination with other personal and business development assistance. Above all, a tool would need to be 'keyed into' flexible, good quality development activities so that identified needs could start to be addressed by managers/ owners quickly and effectively.
- 8.12 Many interviewees expressed real concerns about the effectiveness of the current Welsh management/ leadership development 'infrastructure.' If an effective 'suite' of high-quality, customer-focused development activities is not available to those using a self-diagnostic tool, the value of the tool will be drastically curtailed.

9. Recommendations

- 9.1 A key recommendation is that developing a self-diagnostic tool targeted at Welsh SMEs **is** justified by the findings from this project. Whilst low levels of short-term demand are probably inevitable, there is strong underlying need, and opportunities for releasing potential and latent demand through effective promotion and support.
- 9.2 Any decision to commission the development of a leadership/ management diagnostic tool for managers in Wales would clearly be a matter for ELWa and its partners. In making any decision, careful thought ought to be given not only to the design parameters and cost of developing a tool, but how it might best be promoted and supported, and aligned with existing advisory and support services. An effective range of high-quality follow-on activities ought to be guaranteed for managers who did seek to identify their development needs by using a self-diagnostic tool.
- 9.3 Looking to a specification, if one were to be commissioned, we believe the parameters summarised in Figure 5 would be appropriate – at least as an outline. Further work would be needed to decide on branding, precise design parameters, presentation, design of electronic versions and other requirements.
- 9.4 We recommend further research is done to understand more about the size of potential markets for a tool – in essence, establishing clearer dimensions for the potential and latent demand elements identified in Figure 2 earlier in the report. In-company work (e.g. management/leadership skills audits) is probably the best way to do this – maybe at the stage of piloting a draft tool, part of the suggested work plan outlined below.
- 9.5 As for a project plan, we recommend the following elements:
- Briefing: review of context and detailed requirements with ELWa, WMC, etc (say 2 weeks)
 - Produce first draft of possible tool structure and main elements: drawing on, in particular, New Management Standards, project specification (say 4 weeks)
 - Consult on first draft: sample of existing business support/ management development practitioners, SME representative bodies (say 2 weeks)

- Revise first draft; pilot second draft with sample of SMEs (say 4 weeks)
 - Optionally, use second draft within companies for market research purposes to identify likely demand
 - Revise to give third draft: electronic and paper versions required (3 weeks)
 - Consult current business/ management development providers (possibly via focus groups): key issues – what further refinements to tool are required; how might it be integrated with existing services; how might it best lead on to practical activities; how might it best be promoted/ supported? (4 weeks)
 - Finalise tool design; finalise marketing/ support plan
 - Launch tool
 - Support tool and follow-on activities: monitor takeup, customer feedback, action taken (continuing)
 - Evaluate tool: particularly in terms of impact on business performance, enhanced leadership/ management skills (after, say, 12 months experience).
- 9.6 Promotion work with Wales' various groups of advisers, trainers, assessors and consultants would be essential. Promotion direct to SMEs ought to be encouraged too. As we have pointed out on many occasions, ensuring those undertaking the self-diagnostic exercise have access to excellent follow-on support needs to be guaranteed.
- 9.6 We have not addressed the question of 'ownership' of the tool, but a nominated organisation will have to take charge of tasks like printing and distributing the tool, keeping electronic versions up-to-date, ensuring copyrights are not infringed, etc. – and appropriate resources will have to be made available to ensure that this too is done well if the tool is not to fall into disrepute or disuse.

Appendix I

Analysis of Current Management and Leadership Diagnostic Tools

Note: Comments are the assessments of the authors only: they do not represent any formal view of ELWA

These assessments have not been agreed with the authors or copyright holders of particular tools.

1. THOMAS INTERNATIONAL – PERSONAL PROFILE ANALYSIS

Part of a widely-adopted suite of profiles characterised by attractively produced outputs and reasonably quick to complete (approximately 10 minutes). Outputs can be used for selection and succession planning requirements, and offer the opportunity of leading on to further development activities.

Thomas International products are well-established, and have been used by large numbers of organisations throughout the UK and more widely (see www.thomasinternational.net).

Key strengths centre on: ease of completion, speed of completion, good 'face validity'. Weaknesses centre on concerns on the part of many HR practitioners and psychologists that results may be 'superficial'; may **not** provide robust data for leadership and management development planning; equally, the focus on personality issues and not the number of key technical competences (e.g. financial management). There is also limited opportunity to address different **levels** of strengths and needs with, in principle, similar results attainable for very junior and very senior managers.

Costs are required for buying and processing the tool: training and consultancy often recommended; levels of costs depend on the numbers bought at any one time and level of support, but can be quite low (£10 per user indicated)

Overall, these are tools which might be used at a very early stage in a self-diagnostic process, but lack the robustness to do much more.

2. CHARTERED MANAGEMENT INSTITUTE: – ON-LINE CONTINUING PROFESSIONAL DEVELOPMENT SCHEME (www.managers.org.uk)

As its name implies, this CMI tool allows on-line completion, in particular allowing individuals to record their learning and development, and test their knowledge, understanding and ability in specific management skills. There are opportunities for peers to assess individual skills and the tool can lead on to further development activities.

Reasonably time-consuming (up to 2 hours): the tool nevertheless, covers a wide range of topics influencing, managing creativity, assertiveness, business planning, quality assurance, budgeting and managing projects, etc.

Strengths centre on the on-line convenience, the availability of private and confidential results, coverage of a reasonably comprehensive range of competences, and clear signposting to areas of further development.

Weakness include the tool's primary focus on CPD for the Chartered Management Institute rather than offering a specific self-diagnostic tool; and there is, perhaps, an emphasis on hierarchical management structures rather than SME-friendly structures.

Overall, this tool focuses on cpd for managers who are members of the Chartered Management Institute, rather than offering a high standard of free-standing self-diagnostic capabilities

3. DPG – MANAGERIAL ASSESSMENT OF PROFICIENCY (MAP) TOOL

A commercially available tool, widely used internationally (DPG have UK rights – see www.dpgplc.co.uk) which covers an extensive range of management competences (albeit not following the same format as the new occupational standards for managers).

MAP does represent a 'true' management and leadership self-diagnostic tool: a number of different versions are available (including one capable of completion in well under 1 hour – see separate entry on the 'Functional Test'). Good levels of support are available from trained facilitators, and the tool is increasingly gaining acceptance amongst business development agencies(e.g. Advantage West Midlands).

Strengths: A genuine self-diagnostic and management and leadership tool, giving clear recommendations for future development. Significant experience from elsewhere can be drawn on.

Weaknesses: Although various versions are available, the main MAP product can take up to 2 days to complete fully, involving in-depth discussions and reviews with trained facilitators. Costs are variable, depending on the numbers purchased and additional financial inducements some support agencies have provided. In practice, MAP also tends to assume reasonably high levels of formal management education, a significant proportion of which may not be relevant to SME owner/ manager needs.

Overall, this is a 'true' self-diagnostic tool which deserves to be taken seriously by those looking to improve their management and leadership skills, but the time to complete it and some of the detailed emphases on highly technical elements of management skills means it does not meet all of the criteria set out in Table 5.

4. TIME MANAGER INTERNATIONAL (TMI)

In-company solutions developed by a major training/consultancy organisation (see www.tmi.co.uk), this tool covers key areas of management and leadership skills including customer service, quality, time management, various 'soft skills'.

The tool will typically lead to tailored solutions based around specific business goals, but has been widely adopted and a range of web- and computer-based versions are available to draw on.

Strengths focus on the attractive well-designed materials, clear outputs which focus on development areas (typically directed towards a specific working environment) and a long track record for the tool itself, and TMI as an organisation.

Weaknesses: Although the tool can be customised, it will not normally cover all of the new occupational standards for managers; mediation is normally required, so that the criteria for 'self-diagnostic' design are not technically met. Above all, the tool appears to be targeted mainly at bigger, more structured organisations: it is unclear how easy the tool will be to use in an SME context.

Overall, this tool is mainly intended to lead into and complement proprietary training programmes. It might be possible to customise it further to meet more of the requirements for an SME-based self-diagnostic tool, but this redesign work would be extensive and costly.

5. DEVELOPMENT PROCESSES GROUP (www.dpgplc.co.uk): FUNCTIONAL TEST

The Functional Test should really be seen as part of the overall MAP suite of applications: the Functional Test links into MAP, has good face validity and its modular design means that what are virtually free-standing tools of varying lengths can be developed to meet individual needs for assessment in only a small group of targeted areas.

Because the functional test allows for a good deal of customisation it might be possible for the tool to be re-designed to meet the majority of criteria outlined in figure 5.

Strengths: good face validity, modular design allows homing in on areas of particular interest; immediate link into much more detailed assessment tools (via MAP).

Weaknesses: as with MAP, current designs tend to assume high levels of immediate knowledge of technical management issues.

Overall, this tool does represent a realistic, fairly brief self-diagnostic tool. Some concerns about current language and concepts need to be raised, but the key issue is probably the extent to which existing designs could be re-worked to meet the sort of criteria outlined earlier in this report.

6. Business Improvement Tool for Entrepreneurs (BITE)

Developed under the auspices of the now defunct Council for Excellence in Management and Leadership (www.managementandleadership.org), BITE is expected to give information about entrepreneurs' capabilities in relation to decisions, strategies and setting goals; creating personal drive; communicating with others; motivating others; delegating to others; winning business; developing systems and procedures.

BITE has capabilities for being used either as a self-diagnostic tool or with a business mentor or colleague.

Despite ambitious targets, it seems that BITE has not been a success. Central to some of the concerns identified have simply been the wording adopted; "Is your get up and go still there or has it nearly got up and gone – just how motivated have you felt in the last year...".

Although good results were claimed during the piloting phase, it seems that these typically depended on the skills of facilitators, with most evidence pointing to BITE **not** being effective when used as a self-diagnostic tool.

Overall, not likely to offer the characteristics recommended by this project

7. "The Entrepreneur Test": Available from www.liraz.com/webquiz

Typical of a number of self-completion questionnaires available from internet sources, The Entrepreneur Test is quick to complete, highly automated and impersonal, and is, in effect, used as a selling point for further training materials and consultancy support.

Overall, this tool is attractive, quick to complete and free: it does not, however, offer an independent range of development activities, and could well lack validity and reliability.

8. Hay Group; Managerial Competency Questionnaire; Leadership Competency Inventory

Well-developed and marketed tools with clear self-scoring (and to some extent self-diagnostic) capabilities, although 360 degree options are available too. Typical completion times are around 30-60 minutes. Main targets do seem to be larger organisations; competence frameworks used are non-standard, and links to specific development activities limited.

Costs (£60 for 10 questionnaires) relatively modest. See www.haygroup.co.uk.

Overall, this tool does not link with new occupational standards for managers, nor have a good alignment with specific sme needs, does not point effectively to practical follow-on activities.

9. Index 360 (www.index360.com)

Attractively produced paper- and ICT-based tool which – as its name implies – gathers feedback data from members of management teams.

Benchmarking against comparable organisations possible; tracking progress over time straightforward.

The tool does not focus on individual management/ leadership issues directly, however, and seems really directed towards big organisations.

Overall, this tool does not meet the main requirements set out in this report, although quick, easy and attractive to use.

10. 16 PF

Established as a highly regarded and rigorous psychometric instrument over many years, 16PF is used by many Business Schools and other management/ leadership developers to gather information about individuals' personality characteristics, preferred modes of working, assertiveness and other characteristics.

16PF takes about 40 minutes, but needs to administered, scored and fed-back by someone with appropriate training and qualifications – e.g. an occupational psychologist. Published in the UK by Oxford Psychologists Press (www.opp.co.uk).

16PF covers only a small proportion of the new occupational standards for managers, and tends to lead to reflection and discussions on areas like personal style and impact - linking only to a limited degree with specific management development activities without careful mentoring or tutor support.

Overall, despite its important role in many 'advanced' management and leadership development programmes this tool does not meet the main requirements set out in this report.

11. Belbin Team Roles

Popular and widely adopted technique for identifying how people will perform in teams, based around preferred styles of working with others. Extensively used within management and leadership development programmes; fairly quick to complete (15 minutes) with ICT-based options (via 'Interplace' – see www.belbin.com) giving rapid, attractive summaries pointing to a number of management and leadership issues.

Self-diagnosis is possible (although pointers towards specific development actions limited); not closely aligned with management competences.

Overall, despite considerable popularity and widespread application, Belbin's Team Roles seem best focused on supporting development programmes, not initial self-diagnostic exercises like those proposed in this report.

12. Business Link York/ North Yorkshire

Freely available through the Business Link website (www.here4business.co.uk), the tool 'How Good are your Management Skills' clearly does meet requirements for a fairly quick and simple self-diagnostic tool. The tool has good interactive characteristics (with, e.g. 'guidelines' for each question posed) and is well integrated with the support Business Link York and North Yorkshire can offer or signpost. The questions posed might, however, be seen as having a 'circular' style: e.g. respondents are asked: 'Do you ensure that products and services meet quality requirements²⁰?' with responses sought on a 5-point scale. 'Key considerations' include: 'Do you review your quality systems ... Do you train staff in quality procedures?' etc. If scores against particular questions are low, opportunities for using BL services to improve quality performance are readily identifiable. It might be argued, though, that rather than offering new insights, the tool simply asks respondents to point to areas they already know they need to attend to.

²⁰ Question 3.

Overall, the tool shows good, accessible design and links into other sources of support effectively. May be seen as lacking depth and rigour, however, merely seeking confirmation of what individuals already perceive to be development areas – hence adding limited value.

13. Management and Leadership Network (MLN)

An extensive website (www.mln.org.uk) gives links to a number of ‘eternal’ tools (e.g. BITE) and also offers several mln-specific instruments. The most relevant for this project is probably the interactive tool ‘Creating a Personal Development Plan for Managers’. This encourages a process of personal reflection – starting with ‘What is the future for my business?’ and leads up to structured action planning in areas ranging from ‘What are your key business objectives for the next 12 months?’ to ‘What development actions are you going to achieve in the next 12 months?’. Useful interactive links to summaries of good practice are included.

Overall, the tool shows good, accessible design and links into other sources of information effectively. Limited structured diagnosis, however – tends to focus on processes of reflection and personal review. Limited formal attention to identifying management and leadership skills strengths/ weaknesses.

14. The Learning Business (TLB)

Based in North Wales, The Learning Business (see www.thelearningbusiness.co.uk) offers a range of training, consultancy and business support services. A number of diagnostic tools are provided – in the main, however, being designed to identify which of TLB’s services are likely to be most appropriate for an individual/ organisation. A variety of development options – including opportunities for joining in with other business/ organisations, sharing ideas interactively, etc. – is included.

Overall, more a structured introduction to specific ‘packages’ rather than the generic self-diagnostic tool which this project would require. Links to support/ additional information seem to be effective, however.

15. Investors in People Leadership and Management Module (see www.iipuk.co.uk)

Because of its links to liP more generally, the module does focus attention on leadership and management in an important, high-profile way. Assessment is required from a trained practitioner, however, and there is currently no self-diagnostic element.

Appendix II
Key Informant Topic Guide

ELWa – Self-Diagnostic Tools for Managers

TOPIC GUIDE – Key informants

Section 1: Interviewee details

NAME:.....

JOB TITLE.....

ORGANISATION.....

LOCATION.....

DATE OF INTERVIEW.....

INTERVIEWEE.....

The project is being carried out for ELWa but with active support from the Wales Management Council. It builds on some of the recommendations in the WMC's recent report "Management and Leadership Development in Wales – An Agenda for Action" which made a number of recommendations including considering work to prepare "a diagnostic tool" that can be used by businesses and organisations to help individuals considering what to prepare "a diagnostic tool that can be used by businesses and organisations to help individuals identify leadership and management development needs and skills gaps"

The objectives are to:

- To undertake research with SMEs to gain an understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review current diagnostic tools against the requirements identified

by the SMEs, the WMC, ELWa, the WDA producing a SWOT analysis of the existing tools.

Information is being collected from key informants and SMEs

CRG project manager is Richard Gaunt
EIWa contact for this project is Huw Owen

Introduction

Hello my name is _____ from CRG. We are conducting a research project for ELWa (with active support of the Wales Management Council) with the objectives to:

- To undertake research with SMEs to gain understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review the current diagnostic tools against the requirements identified by the SMEs, the WMC, ELWa, the WDA producing a SWOT analysis of the existing tools.

The purpose of this interview is to find out about your own views, first of the need for such a diagnostic tool, and secondly what kind of characteristics any tool to be introduced in the future might have.

I do need to stress that we are collecting information from a cross section of people (mainly) within Wales and all individuals' views will be treated confidentially.

Section A – General Views

1. First, do you think efforts should be made to improve the priority given to leadership and management development in Wales? (If so, please explain why/which sorts of areas)

Prompt:

Raising awareness

Identifying need

Satisfying need

Funding

Evaluation

Review

Section B – Managers' needs

2. What kinds of topics do you think might need further development in relation to leadership and management? (Please explain why you take this view).

3. How easy is it currently for managers to gain an objective view of their potential leadership and management developmental needs?

4. Evidence suggests that SMEs have very little interest in formal management and leadership issues/techniques/tools – do you agree with this, does evidence exist to suggest otherwise?

5. Do you think SMEs should take more interest in management and leadership issues? (please explain why you take this view)?

Section C – Tools

- 6 Are you familiar with any leadership and management tools currently?
If so, please list them.
7. Please comment upon their strengths and weaknesses including their accessibility, their usefulness, cost, their comprehensiveness and how time-consuming they are?

Section D – Future Developments

- 8 Do you think there is a need for a purpose-designed, self-diagnostic tool to help employers, organisations and managers in Wales understand leadership/management needs better?

Yes

No

Please explain why you take this view

- 9 If there should be a purpose designed self-diagnostic tool what characteristics would be important?

Prompt:

- Catering for different levels of management/leadership
- Lead on to targeted development activities
- Simple to complete
- Suitable for SMEs and larger organisations (or maybe more than one tool).

10 What might be needed to help introduce and promote such a tool effectively?

We would be extremely interested in any other comments you have to make

Appendix III
SME Topic Guide

SME INTERVIEW TOPIC GUIDE

ELWa – Self-Diagnostic Tools for Managers

TOPIC GUIDE – SME

Section 1: Interviewee details

NAME:.....

JOB TITLE.....

ORGANISATION.....

LOCATION.....

DATE OF INTERVIEW.....

INTERVIEWEE.....

The project is being carried out for ELWa but with active support from the Wales Management Council. It builds on some of the recommendations in the WMC's recent report "Management and Leadership Development in Wales – An Agenda for Action" which made a number of recommendations including considering work to prepare 'a diagnostic tool' that can be used by businesses and organisations to help individuals identify leadership and management development needs and skills gaps"

The objectives are to:

- To undertake research with SMEs to gain an understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review current diagnostic tools against the requirements identified by the SMEs, the WMC, ELWa, the WDA producing a SWOT analysis of the existing tools.

Information is being collected from key informants and SMEs

CRG project manager is Richard Gaunt
ELWa contact for this project is Huw Owen

Introduction

Hello my name is _____ from CRG. We are conducting a research project for ELWa (with active support of the Wales Management Council) with the objectives to:

- To undertake research with SMEs to gain understanding of their awareness, use and requirements of a diagnostic tool.
- To research and review the current diagnostic tools against the requirements identified by the SMEs, the WMC, ELWa, the WDA producing a SWOT analysis of the existing tools.

The purpose of this interview is to find out about our own views, first of the need for such a diagnostic tool, and secondly what kind of characteristics any tool to be introduced in the future might have.

I do need to stress that we are collecting information from a cross section of people (mainly) within Wales and all individuals' views will be treated confidentially.

Section A

1. What is your role?
2. How many people do you manage?
3. How did (or do) you develop your own leadership/management skills?
4. How did (or do) your colleagues develop their leadership/management skills?

5. What leadership and management skills do you think need further development in this organisation?
6. Have you made any plans for leadership and management development work?

Section B

7. Have you ever used any formal tools to help understand you/your colleagues' leadership and management skills/needs?
8. How did you come aware of the tools you used?
9. What was it/they used for?
10. What was the cost of using it? Who paid for it?
11. Are the tools available on-line or are they paper based?
12. In general, how useful were the tools in terms of

		Very useful	Useful	Neutral	Useless	Totally useless
		1	2	3	4	5
A	Identifying strengths/weaknesses					
B	Providing information and advice					
C	Providing continuous development					
D	Easily accessible					
E	Comprehensive					

13. Are there any gaps that need filling in/improving on? (Please explain)

Section D

14. Have you heard of any other tools? Yes/No

15. What do you think of them?

16. Why haven't you used them? (prompt: suitability/cost/accreditation)

17. If you did need to find out more about self-diagnostic tools, where would you go?

Section E

18. Is there a need for a new self-diagnostic tool for organisation like yours in Wales? Yes/No

17. What sort of tool would you like to see in the future?

Prompts:

Paper/on-line

Specific areas of management./non specific

One off assessment/continuous

Accredited/non accredited

Do you have any other comments you would like to make?

Appendix IV
Focus Group Topic Guide

Focus Group topic guide.

From the desk research/key informant and SME interviews, there are a number of specifications of what a self-diagnostic tool should be for an SME in Wales. To weigh each of the specifications, we ask you to discuss and prioritise each of them as either: high, medium or low priority.

1. A Welsh self-diagnostic tool needs to be developed?

Yes/No/Maybe

2. Should the tool be:-

- Based on all types of managers
- Based at one level or several levels
- Not require previous management/education/training
- On-line/paper
- Helpful for different levels of management
- Relevant to specific sectors – several options
- Focused on SMEs
- Stimulating/user friendly
- Identifying current strengths/weaknesses
- Pointing out range of actions for improvement
- Quick to complete
- Relevant to business priorities
- Explores issues, leading onto more in-depth assessment if appropriate

- No/low cost
- Carefully branded/promoted/managed and support

Appendix V

Summary of Interviewees

KEY INFORMANT INTERVIEWS (26)

ELWA

WELSH ASSEMBLY GOVERNMENT

SEMTA

INSTITUTE OF DIRECTORS

FFORWM

FEDERATION OF SMALL BUSINESSES

CIPD

CIM

CARDIFF BUSINESS SCHOOL

YSTRAD MYNACH COLLEGE

N.E. WALES INST. OF H.E.

H.E. FUNDING COUNCIL OF WALES

UWCN (2)

NEWPORT & GWENT ENTERPRISE (2)

WELSH DEVELOPMENT AGENCY

INDEPENDENT CONSULTANTS (4)

BUSINESS IN FOCUS

GLAMORGAN BUSINESS SCHOOL

CITB - CONSTRUCTION SKILLS

INSTITITUE OF LEADERSHIP & MANAGEMENT (2)

SME INTERVIEWS (53)

2 FOCUS GROUPS INCLUDED

1 X LARGE RETAILER
1 X LANDSCAPE GARDENER
1 X ICT BUSINESS
1 x CONSULTANT
1 X ETHNIC RESTAURANT
1 X WEB DESIGN
1 X CONSIDERING RETAIL
1 X CONSIDERING CONSULTANCY
1 X BEAUTY TRAINING
1 X CONSIDERING WHOLESALE

OTHER INTERVEIWEES/ 3rd FOCUS GROUP

SEVERN MEDIA GROUP
MARKMAID LIMITED
ECS REFRIGERATION LTD
PEAK PERFORMANCE
MERTHYR TYDFIL HOUSING ASSOC.
LGA LTD
TMC LTD
DARLING BUDS NURSERY
MARBLE RECRUITMENT LTD
ATLANTIC SPRAY LTD
CHAMELEON INTERIORS
QUALITY FLOORCARE LTD
LEISURETIME TOURS LTD
BEAL AND SONS
ENTREPRENEUR ACTION LTD
R D M ELECTRICAL SERVICES
THE AGRAM PARTNERSHIP
STRADFORM LTD
WELSH ROYAL CRYSTAL
TREMONT REFRIGERATION
HAYDN LEWIS FINANCIAL SERV.

NEWTON AIRCRAFT PROPELLERS
SUTTON AND DURWOOD
ABBAY RESEARCH & DEV
INTEGRATED BUSINESS SERV. LTD
PICTON SPORTS
CAPSA VOX
MORGAN & MORGAN BUS. & TECH.

15 TELEPHONE INTERVIEWEES ASKED NOT TO BE IDENTIFIED.