

## **2.0 Data Collection: Mapping Existing Support**

The aim of this phase of the project was to identify organisations based in Wales who are currently offering management and leadership development as part of their business activities.

### **2.1 Introduction – Definition of Management and Leadership Development (MLD)**

Before beginning to map existing support, it was important to clarify exactly what was meant by ‘management and leadership’, as the term is open to various interpretations.

For the purpose of this study the definition of Management and Leadership was based on the Functional Map of Management and Leadership devised as a key part of the development of new National Occupation Standards for management. This was developed following a key report by the Council for Excellence in Management and Leadership (CEML) entitled “Managers and Leaders: Raising our Game”.

The definition includes six key components of management and leadership activity:

providing direction, facilitating change, using resources, working with people, achieving results, managing self and personal skills.

These components are set out diagrammatically in Appendix 1.

### **2.2 Research Methodology**

To enable the consultant team to comprehensively map organisations in Wales offering MLD, a variety of research techniques needed to be applied. They can be summarised into three main categories:

- Desk Research
- Face-to face Interviews
- Primary research

#### **2.2.1 Desk Research**

In order to effectively map what is available in terms of MLD a thorough review of existing literature and data sources was carried out. The aims of this were twofold; firstly to establish whether any previous mapping or other relevant studies have been conducted, and secondly; to identify organisations based in Wales who work in the area of MLD.

A substantial amount of the desk research involved extensive use of the internet to source all existing portals, directories and databases of organisations offering MLD in Wales. Yellow Pages and Thompson directories were also utilised.

Various business support organisations with local knowledge were contacted requesting details of relevant organisations in their area e.g. Business Eye. The details provided were quite sketchy so the project team had to develop secondary sources.

The Small Firms Research Unit and Cardiff Business School have access to a number of databases on SMEs across Wales and these were fully utilised for the purpose of this study.

### **2.2.2 Face-to-Face Interviews**

In total 18 people were interviewed, from both the public, private and voluntary sectors. Interviews took place on a face-to-face basis. Where this was not possible, interviews were conducted by telephone. A list of individuals who took part in the consultations can be found in Appendix 2.

The consultations focussed on identifying the key issues surrounding management and leadership development in Wales. Questions such as are we meeting the need, what are the perceptions of existing provision and do the current funding mechanisms work, were asked.

### **2.2.3 Primary Research**

A questionnaire was designed and despatched to all organisations working in the field of MLD (following a process of organisational de-duplication).

The aim of the questionnaire was to obtain in-depth information on the type and level of management and leadership provision offered by the respective organisations.

## **2.3 Analysis of Organisations involved in Management Development and Leadership**

Once data from all the above had been collated, it was de-duplicated and cross-referenced. The study found 1601 organisations based in Wales, offering MLD. This comprises private, public and voluntary sector organisations, including FE and HE institutions, but does not take into account local branches of organisations.

### 2.3.1 Number of Organisations by Type

Table 2.1 illustrates that private sector organisations comprise the largest number - 93.9% of organisations offering MLD in the survey were from the private sector. However, this does not take into account the quantity of development opportunities available from each organisation. As will be shown in this section of the report, HE and FE institutions also offer a substantial number of management and leadership related courses.

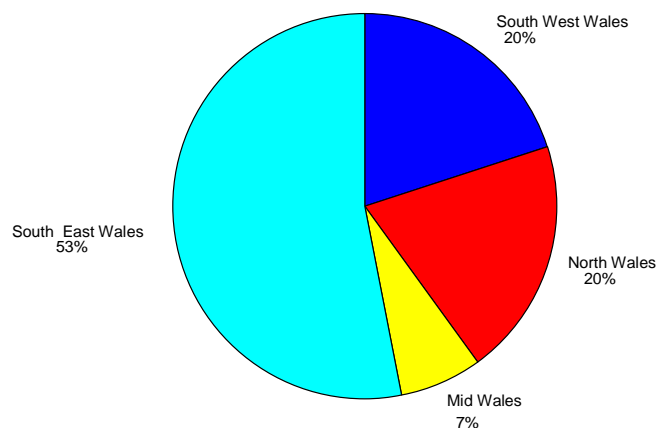
**Table 2.1 Breakdown of Number of Organisations by Type**

Organisation Type	Number of Organisations	% of Total
Private Sector	1503	93.9%
Public Sector (excluding FE, HE & branch organisations)	62	3.9%
HE & FE Institutions	36	2.2%
Total	1601	100%

### 2.3.2 Number of Organisations by Area

Figure 2.1 highlights the total number of organisations offering MLD in Wales by geographic area. It is evident that the majority of organisations are based in South-East Wales (53%) with the least number in Mid Wales (7%).

**Figure 2.1 All Organisations Offering MLD by Geographic Area**



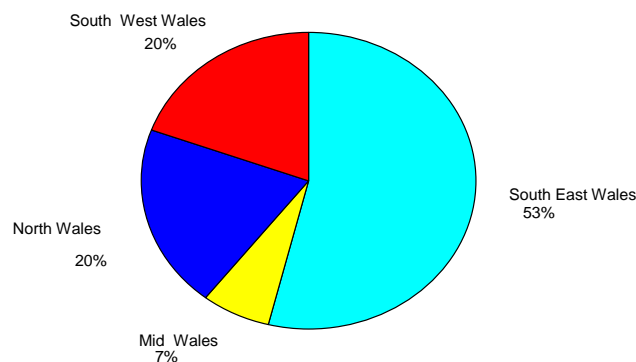
\*The definitions of regions correspond with the ELWa definitions

## 2.4 Private Sector Provision

As is shown in Table 2.1, private sector provision accounts for the greatest number of organisations working in the field of MLD. This is not surprising given the size of the SME sector in Wales, which one can summarise constitutes the majority of these 1503 private sector organisations. A geographic breakdown is provided in Figure 2.2 below. As one would expect this is the same as Figure 2.1 with 53% of organisations based in South-East Wales.

Interestingly, when this is compared with the concentration of all VAT registered businesses across Wales, there is a proportionally higher concentration of organisations offering MLD in the South-East. Approximately 36% of all VAT registered businesses are based in the South-East, compared to 52% of all organisations providing MLD being based in South-East Wales. 15% of Wales' VAT registered businesses are based in Mid Wales yet in terms of MLD, only 7% of the total number are based there. In terms of organisations working in the field of MLD in North and South West Wales, it is broadly representative of the percentage of total businesses across Wales. However the number of businesses in North Wales is a slightly higher percentage than businesses delivering MLD. These figures seem to reflect the predominance of the service sector in SE Wales and the preponderance of agriculture and tourism related businesses in Mid and South West Wales. The extent of provision available from the private sector is discussed in-depth in Section 3 of this report.

**Figure 2.2 Private Sector Organisations Offering MLD by Geographic Area**



\*The definitions of regions correspond with the ELWa definitions

## **2.5 Public Sector: Higher and Further Education Institutions**

### **2.5.1 Further Education Provision**

The data referred to in this section was obtained from ELWa. The data provided relates to the Higher Education Statistics Agency (HESA) returns for the two previous years and relates to activity across all 23 FEIs in Wales. There seemed little value in requesting further years data as this study is primarily concerned with management development provision as it exists at this point in time.

The study will aim to comment on the number of courses available, the breadth of courses available, where they are available and provide some comment on the popularity of the courses detailed.

#### ***Extent of Provision***

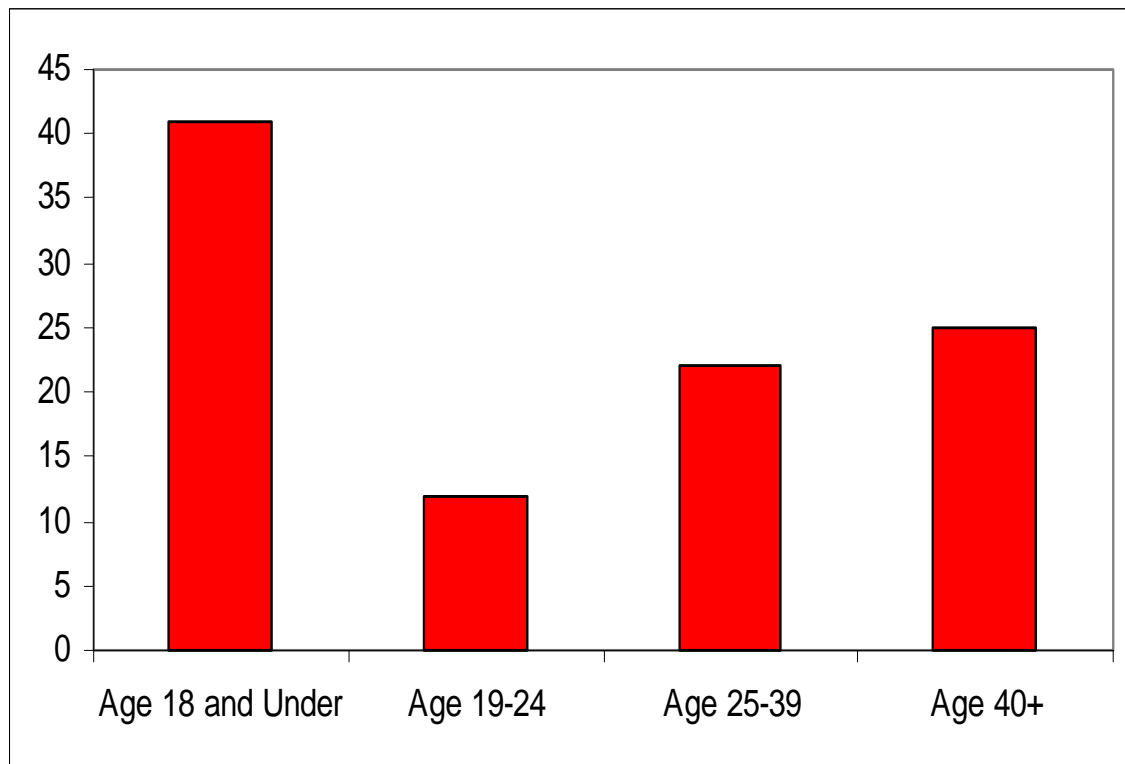
This study has been working with the Wales Management Council definition of what constitutes management development, namely: *'The term management applies to any individual with decision-making responsibility for the use of resources (including staff) in any business'*. This broad definition suggested to the study team that it would be pertinent to obtain details of the majority of the programmes available via FE colleges as one could suggest a GCSE in Office Studies is providing development to a manager at a certain level whilst a Degree in Business Studies is also providing development albeit at a different level.

Therefore we shall proceed to provide details of the general data that is available and some more detailed comment on the programmes that might provide higher level development to managers.

There were 8990 modules available through the Further Education Institutions (FEIs) for academic year 2001/02 in Wales. The courses are often modules that are studied as part of a modular scheme of study that can be read as part of a qualification such as NVQs, HNCs, HND etc or on a stand alone basis. There were 200 'subject areas' or supersets ranging from General Management through Archaeology to Motor Trade Operations. There were almost 230,000 people in Wales studying a 'course' through an FE Institution, 18% were engaged in full time study whilst the majority (82%) were engaged in 'other modes of attendance'. It might be fair to suggest FE is delivering workplace relevant learning as the majority of the 187,245 attending through 'other modes' are part-time or day release. The most popular courses were the Key Skills range of modules that had over 115,000 enrolments.

It appears there is a wide range of courses available and quite a healthy take up of these courses. However in order to distinguish between what might be considered as management development we should consider two things, the age profile of these learners and the course being studied by those of a 'working age'. It is evident from Figure 2.3 a large minority (41%) of FE Learners are under 18 and as such could not be described as managers. However in crude terms one could suggest that 59% could be engaged in management development as they are of an age where they could be studying a course that would enable them to improve their ability to manage a human or physical resource. It might also be pertinent to suggest that the 47% who are aged over 25 are studying for courses that would be defined as continuing professional development and a proportion of these might be considered management development.

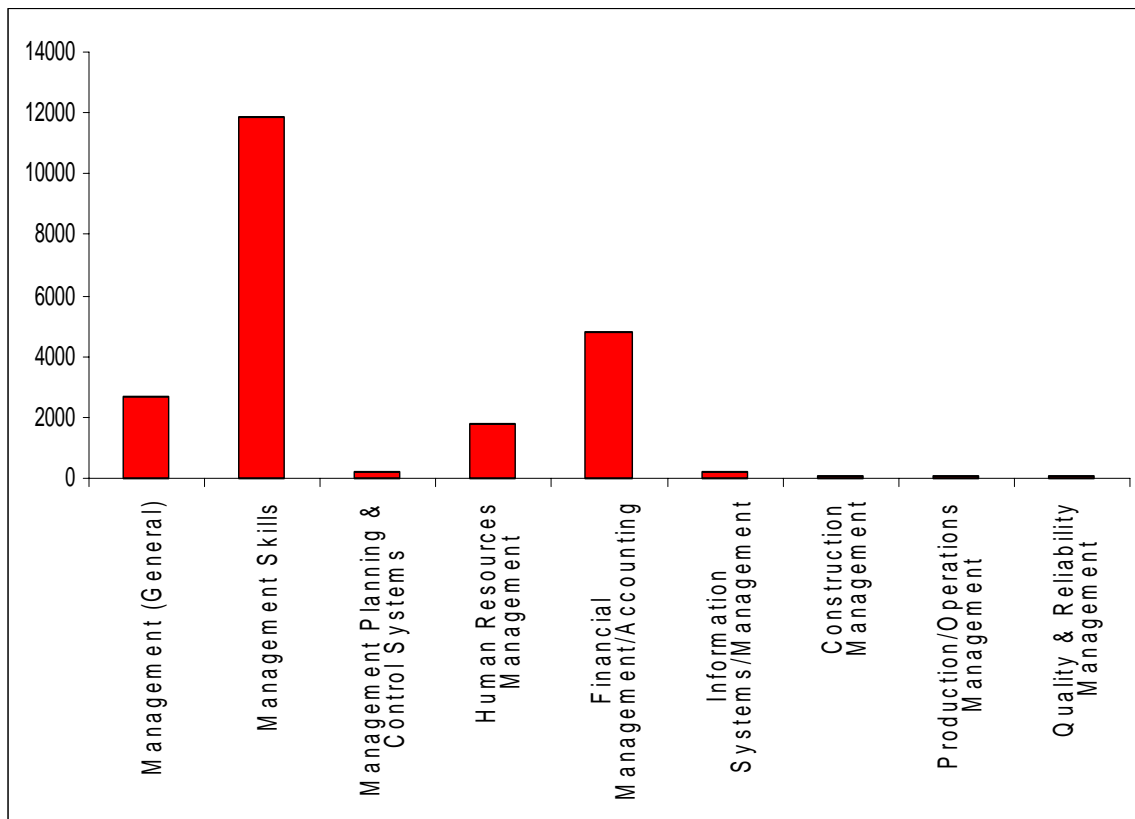
**Figure 2.3 Age Profile of FE Learners in Wales 2001/02**



In order to get some idea of the courses that could be described as management development the study has listed those courses that have management in the title. There are 9 supersets or subject areas in this area (see Figure 2.4). The number of enrolments for these courses was nearly 22,000; this is not an unhealthy number. However against the total 594,000 enrolments this only represents 3.7%. It would therefore be pertinent to suggest, in basic terms, that FE is not too focussed on delivering management development programmes. To give some context

in terms of the working population of 724,000 it could be suggested approximately 3% of this population were engaged in a management development course through an FEI. However it is important to remember that modules are being counted here as opposed to full courses and so this figure should not be compared to the HE figures.

**Figure 2.4 Breakdown of FE Management Courses**



## 2.5.2 Higher Education Provision

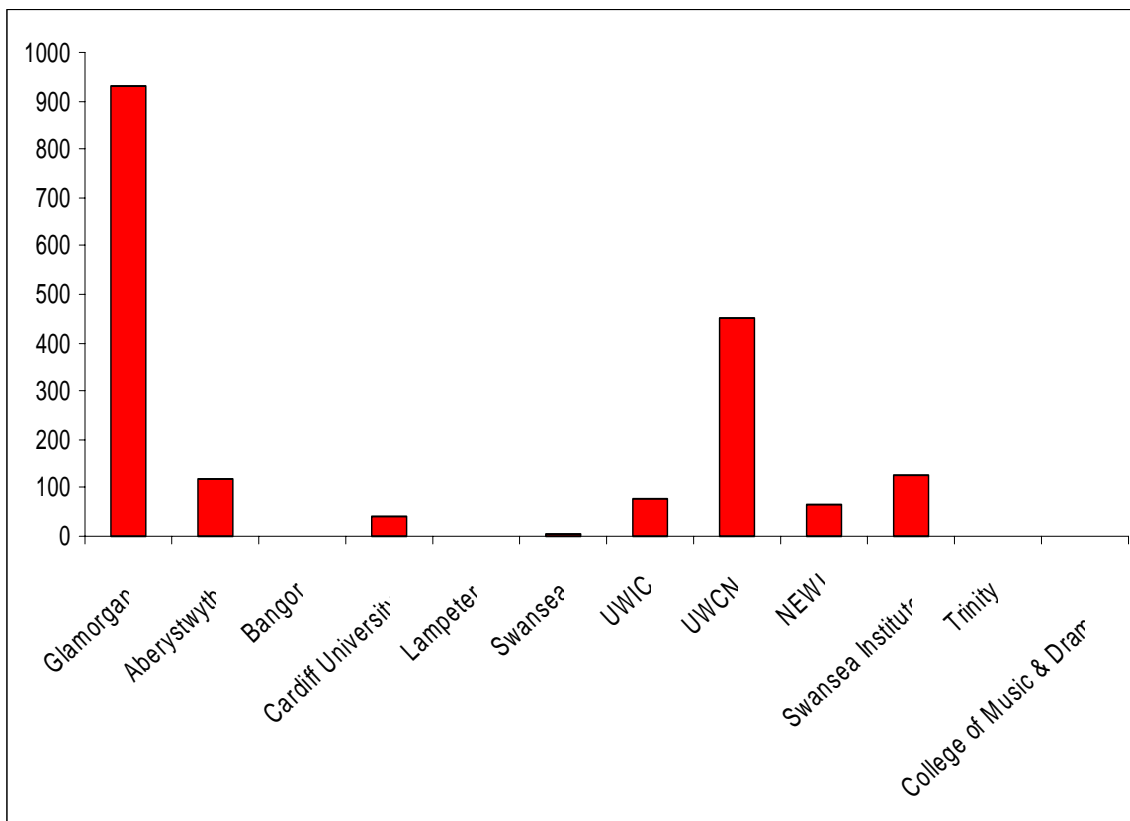
The data referred to in this section was obtained from the Higher Education Funding Council for Wales (HEFCW); it represents activity across all 13 Higher Education Institutions (HEIs) in Wales (2002/03). The data provided relates to the HESA returns for the two previous years, there seemed little value in requesting further years data as this study is primarily concerned with management development provision as it exists at this point in time.

The study will aim to comment on the number of courses available, the breadth of courses available, their availability, and popularity and provide some comment on those courses most relevant to management development.

HEIs in Wales offer 124 subject areas for study. These subject areas cover the whole range of subject areas including the sciences, arts and humanities. The subjects are offered at a range of levels from HNC through to Doctorate, on a part-time and full-time basis. The data shows nearly 126,000 students registering for courses at the various levels in Welsh HEIs. There is obviously a huge range of courses available both at postgraduate and undergraduate levels.

To get a better picture of the availability of management development courses we have obtained data relating to courses available in the Business and Administration subject areas. The data shows that a total of 5034 people obtained business and administration qualifications in 2002/03 across all levels and HEIs. Approximately one third of those were part-time students. Figure 2.4 illustrates the student numbers and HEIs that deliver part time Business & Administration programme. It is interesting to note that according to HEFCW figures the University of Wales Bangor and Trinity College Carmarthen currently do not offer part-time courses in Business and Administration. This may reflect the scale of provision at other HEIs or simply reflect their strengths in other areas.

**Figure 2.5 Breakdown of Business and Administration Part-time Students**



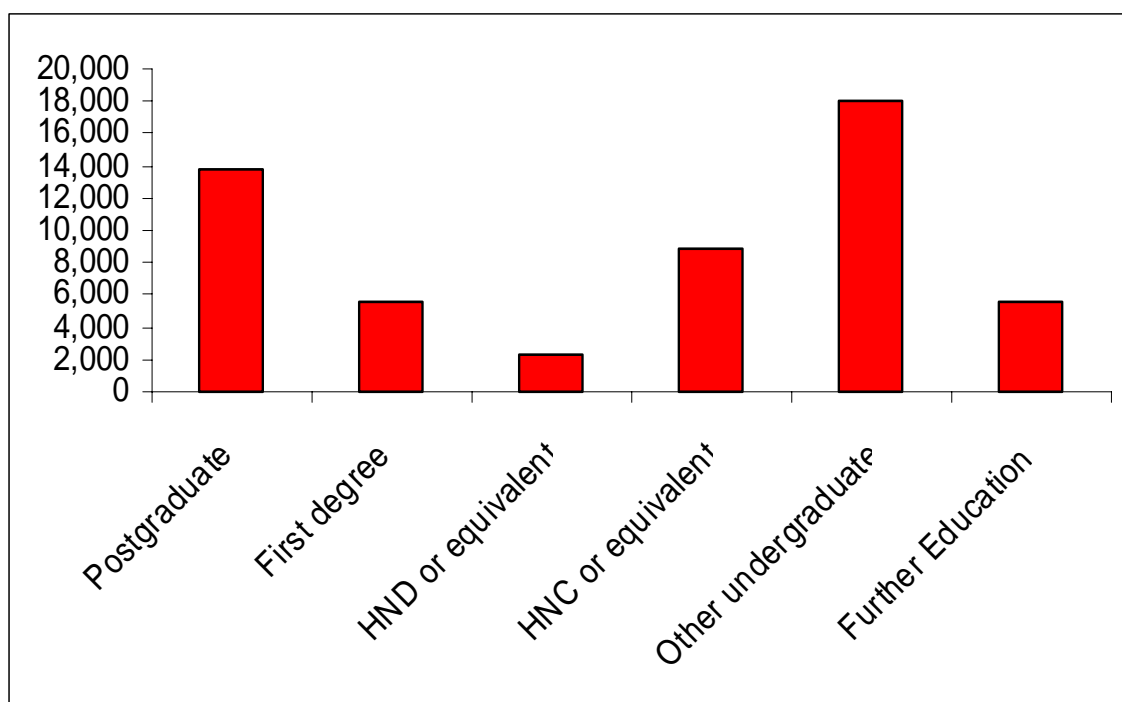
It could be argued a large percentage of part-time students are likely to be employed, it might therefore be pertinent to suggest that over 1800

completed a HE qualification whilst in full time employment in 2003. If we were looking to provide a crude snapshot of the numbers of people engaged in management development one could suggest the above figure of 1819.

To give the above figure some context we can compare with the total number employed in Wales, this figure is approximately 724,000. Therefore in a given year less than one-fifth of one percent of the working population is studying for a business or administration qualification in a Welsh HEI. However it is important to bear in mind a very liberal estimate of those possibly engaged in management development through HEIs has been used. It would be fair to suggest that FE and HE programmes are not incredibly popular with the working population, this would seem to support what stakeholders have suggested during interviews.

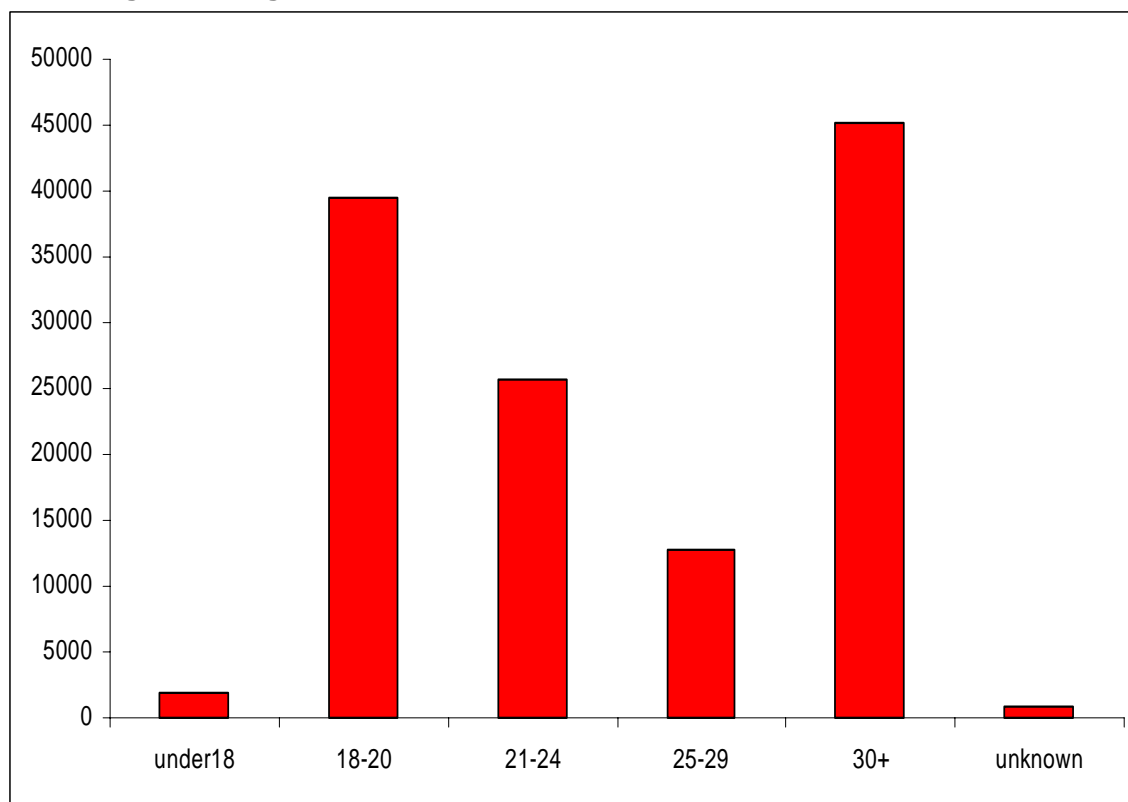
It could be argued that any HEI qualification is providing management development to individuals if a very broad definition is used. It is therefore interesting to note that over 54,000 people were studying HEI courses on a part-time basis at all Welsh institutions in 2002-03. This figure represents approximately 7% of the working population of Wales, which suggests HE is not doing as bad a job as some would suggest in delivering development to the workforce. It is interesting to note from Figure 2.6 that almost 14,000 people are studying for a post-graduate qualification on a part-time basis. It could be suggested that those people are either in or looking to progress into a management position and therefore in the context of an estimated management population of 155,000 this represents an encouraging 9%.

**Figure 2.6 Breakdown of Part-time Students by Qualification**



It is pertinent to look at the age profiles of HE learners (see Figure 2.7) here as this might well give a further indication of the numbers engaged in management development. It is surprising to find that the largest group studying for HE courses are aged over 30, representing nearly 36% of the HEI population in Wales. It is also somewhat surprising to find the 25-29 age group make up over 10% of the whole HEI population in Wales, therefore over 45% of HE learners are aged over 25. This is certainly encouraging for Continuing Professional Development in general and one could suggest these age groups are likely to be in work, looking to return or looking to improve their workplace skills. This group comprises almost 60,000 learners and one could suggest that this number is engaged in management development of some kind based on the very broad definition adopted by this survey. This figure would represent approximately 8% of the Welsh working population, which would suggest 'management development' is on the agenda. However one should note that this is a very liberal estimate of those engaged in management development based on the un-empirical assumption that all HE courses could be adding value to an individual that manages a human or physical resource. It should also be stated that not all of these people are likely to be 'managers'.

**Figure 2.7 Age Profile of HE Learners**



## 2.6 On-line Learning

The study has been able to secure limited information from University for Industry (Ufi) Wales, the primary supplier of on-line learning materials in Wales. The study did not seek to ascertain availability of online learning materials outside Wales as this search could have been exhaustive and the numbers studying these courses within Wales are likely to be statistically insignificant.

The study found little evidence of provision of online learning materials available through the HEIs (University of Glamorgan excepted) and FEIs. Most of the HEIs seem to have modules available on-line as part of on-campus courses, yet only Glamorgan seem to have whole courses (three) available. The data relating to HEI provision of online courses is included in the HEI dataset discussed above.

The study was able to obtain some interesting statistics from Ufi worthy of comment, namely: the number of courses available, their nature and popularity as well as some data on the numbers of learners and their age profiles.

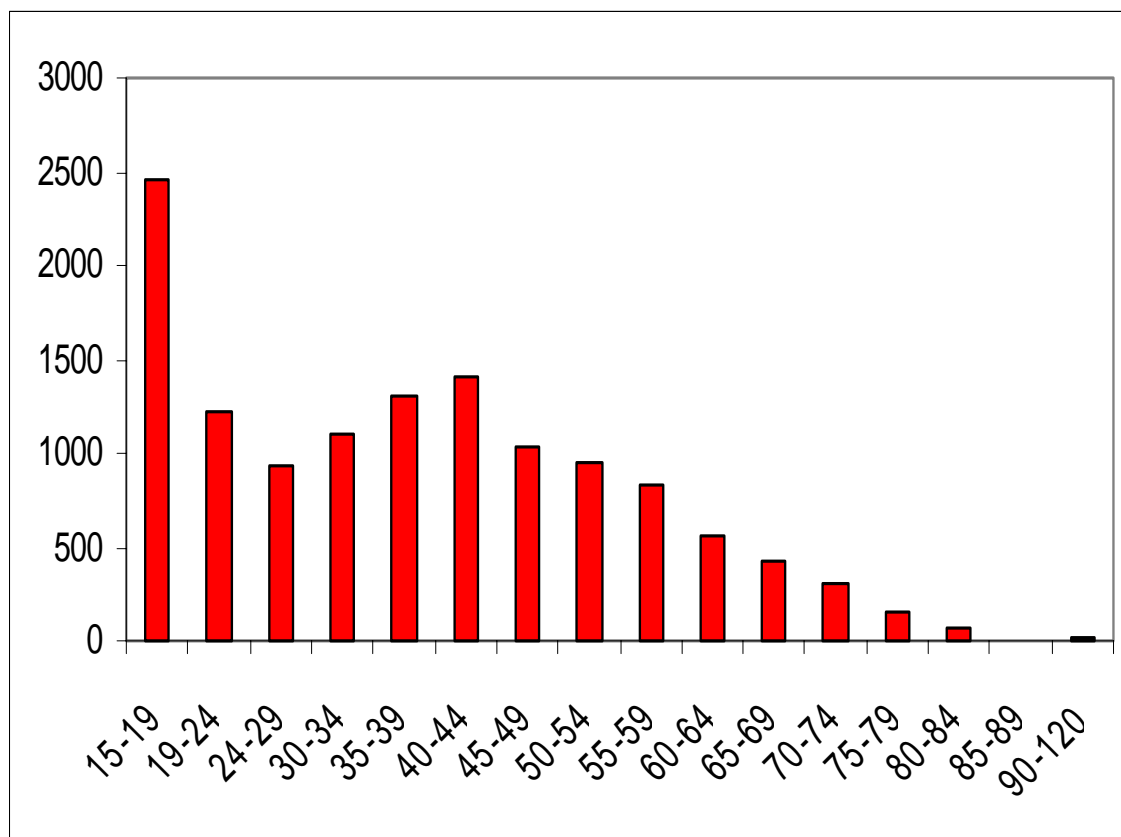
There are 442 courses available. Ufi use the term course for what would be described as a module in HE. The courses range from GNVQ level 1 to 4 and are available in a combination of CD-ROM and online, the majority of courses seem to be at levels 2 and 3. The subject areas studied are what one could expect (bearing in mind the delivery mode) with the largest group, 43%, studying ICT courses. It appears only 13% study Business & Management courses. However one cannot draw too many conclusions from the subject areas as courses like 'everyday Spanish' were listed under Business & Management. The second most popular area for study was the 'Skills for Life' category which appears to be a very broad subject area.

It seems evident Ufi have been relatively successful attracting learners. The data provided shows that almost 20,000 learners have been attracted and registered for nearly 40,000 modules in the financial year 2003/04. However the study could not obtain exact data on where delivery occurred and so these figures should be treated with caution.

In order to make some comment in terms of what might have been management development we can look at the age profile of the learners.

The largest group was the 15-19 age group, which represents approximately 19% of learners; it would be difficult to suggest these could be engaged in management development. However if one considers the number of learners in the age groups over 24 but younger than 64, a group one could suggest are in the main part of the working population, this group makes up 59% of the total learners. It could be suggested these 7,500 learners are engaged in 'management development' if one was to apply the broad definition. This figure represents approximately 1% of the working population of Wales.

**Figure 2.8 Age Profile of Ufi Learners**



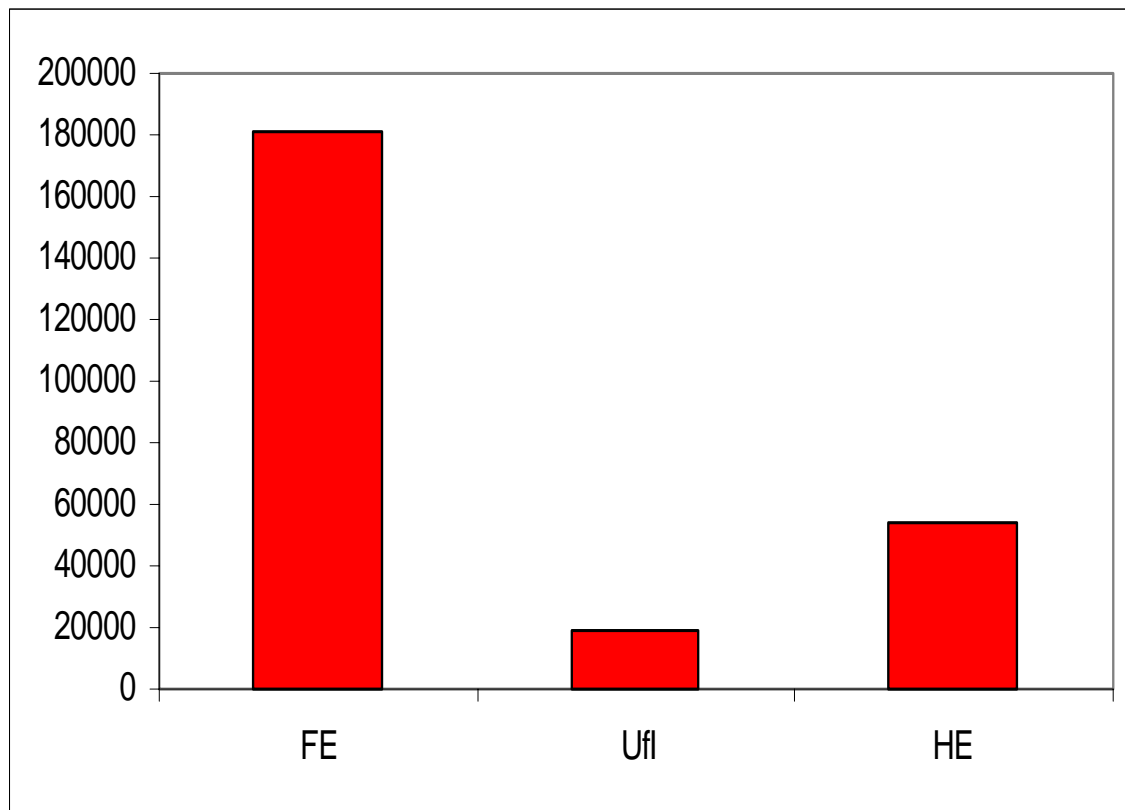
### 2.6.1 Overview

In basic terms it might be fair to suggest that the three provider hubs (HEIs, FEIs and Ufi) are not making a huge contribution to management development. If the study was to take the crude measures it has put forward as basic indicators (22,000; 60,000; 7500) it could be suggested that 12% of the working population are engaged in management development of some kind through one of the above learning hubs. This is not an insignificant percentage; however the study has had to make

some assumptions to get to this crude figure. It might therefore be pertinent, in this respect, to look at the total numbers studying 'part-time' courses. (See Figure 2.10)

It is evident that some 254,517 people are engaged in part-time study which could be considered as work related to a degree. It is also evident that of this number, some 53,883 people are engaged in a HEI course on a part-time basis, which might be a more significant number if one is to consider a very broad definition of what constitutes management development.

**Figure 2.9 Part-Time Student Numbers for FE, HE & Ufi**



The study would have liked to get much fuller datasets from each of the bodies which could have been searched and interrogated to ensure like was being compared to like, which is not possible in many cases here as different sets of indicators were provided. It is evident that FE and HE seem to have different data collection methodologies and so it is difficult to make meaningful comparisons. It was also difficult to get full data on where various Ufi courses are being delivered and it might be the case that some of the Ufi figures are already accounted for in the FE and HE datasets.

However given the time, data and resources available, the basic measures put forward and the assumptions made provide a snapshot of the number of people engaged in on-line, FE and HEI management development in Wales.

## 2.7 European Structural Funding

A key aspect of mapping current provision must also include a mapping of funding routes and mechanisms. One of the main funding contributors is derived from the awarding of structural funding to Wales under the Objective 1, 2 and 3 programmes. The funding is significant, both in terms of geographical coverage and the range of activities supported.

This section shows that a significant amount of European funding has been allocated to projects offering MLD opportunities for SMEs. However, they are generally being under-utilised in terms of unspent money.

The identification of projects was primarily carried out through interrogation of the WEFO database of approved projects for the Objective 1, Objective 2 and Objective 3 programmes. Appendix 3 illustrates the geographic areas where the respective funding status has been awarded.

Outputs (as stated in the Programme Complement) for each Priority and Measure across the three programmes were subsequently analysed to identify where evidence of direct and indirect management and leadership activity exists.

The research identified there were a number of Priorities and Measures which did not have outputs related to management development. However, some of the projects appeared to have MLD activity occurring.

Due to the variances in the way information is gathered and recorded across the different programmes, it is not possible to compare data on a like for like basis.

However, based on the information below, we can summarise that a grant totalling £10.4 million has been committed to European funded projects across Wales that are **directly** developing management and leadership competencies. A further £269.3 million has been committed to projects that contain elements of MLD

There is only one Measure across all the programmes which is solely targeted at supporting management development. This comes under the

Objective 3 programme (Priority 4, Measure 1) and its aims are to improve the competitiveness of enterprises by supporting management training and development.

However, there are other measures which *incorporate* MLD as part of its remit such as under the Objective 1 programme: Priority 1, Measure 4 - 'Promoting Adaptability and Entrepreneurship' is aimed at developing the employed workforce, in terms of upskilling and supporting adaptation to economic change. A proportion of the resource is targeted at developing entrepreneurial activity.

A breakdown of the number of projects, relevant outputs and grant status by each of the programmes is summarised below.

### 2.7.1 Objective 1 Programme

The Priorities and Measures which incorporate projects with elements of MLD are listed below. The first group contains the Priorities and Measures where there are specific management targets as set out in the Programme Complement, whilst the second group does not have any output measures linked to MLD.

*Priority 1, Measure 3 – Developing Competitive SMEs*  
*Priority 1, Measure 4 – Promoting Adaptability and Entrepreneurship*  
*Priority 2 Measure 4 – Skills for Innovation and Technology*  
*Priority 4, Measure 5 – Improving Participation of Women in Labour Market*  
*Priority 5, Measure 7- A Sustainable Countryside*

*Priority 1, Measure 2 - Promoting Entrepreneurship & increasing the birth rate of SMEs*  
*Priority 2, Measure 3 – Developing Competitive SMEs*  
*Priority 3, Measure 1 – Community Action for Social Inclusion*  
*Priority 3, Measure 2 – Partnership and Capacity Building*  
*Priority 3, Measure 4 – Support for creation & development of businesses in social economy*  
*Priority 4, Measure 3 – Lifetime learning for all*  
*Priority 5, Measure 2 – Training: Services to help farming adapt & diversity*

Table 2.2 highlights the relevant outputs and progress towards management targets as stated in the Programme Complement under the respective priorities and measures. As can be seen there is a significant contrast in the progress towards the targets. Some have exceeded the targets, whilst others, such as priority 1, measure 4: 'number of managers trained' is only forecast to achieve 62.3% of its overall target. This is due to the under spend of that Priority and Measure which is highlighted in Table 2.3. Priority 1:M4 has only committed 43% of its overall budget of over £85m. There is at least £26million remaining which could increase to as much as £48m depending on the outcome of the projects currently under appraisal.

As at February, 2004 almost 11,000 individuals have received some management training in the Objective 1 area against a target of almost 19,000. There have been almost 1,200 management related projects undertaken against a target of 300. 1,801 SMEs have already benefited from adoption of management techniques and systems against a target of 750. Clearly, one would expect the numbers to increase as existing projects progress and new projects are developed. Whether it will be fully capitalised by the end of the programme in 2006 remains to be seen.

**Table 2.2 Breakdown of Management/Leadership Related Outputs by Priority and Measure for Objective 1 programme**

P&M	Output	Target	Forecast to Date	Forecast %
<b>COMPANY RELATED</b>				
P1:M3	SMEs adopting Environmental Management Systems	250	147	<b>58.8</b>
P2:M4	Companies introducing innovation Management techniques	500	1,654	<b>330.8</b>
<b>Total Number of Companies applying Management Systems/Tools</b>		<b>750</b>	<b>1,801</b>	-
<b>INDIVIDUAL MANAGERS</b>				
P1:M4	Managers/ proprietors trained	10,000	6,238	<b>62.3</b>
P2: M4	People undertaking higher level skills training	7,000	3,129	<b>44.7</b>
P2: M4	Managers receiving training in Innovation	400	536	<b>134</b>
P4:M5	Undertaking Training in Higher level skills/ management	1,500	263	<b>17.5</b>
<b>Total Number of managers trained</b>		<b>18,900</b>	<b>10,166</b>	-
<b>MANAGEMENT PROJECTS</b>				
P5: M7	Access Management Projects	50	229	<b>458</b>
P5: M7	Resource Management Projects	100	16	<b>12.0</b>
<b>P5:M7</b>	<b>Land Management Projects</b>	<b>150</b>	<b>945</b>	<b>630</b>
<b>Total Management Based Projects</b>		<b>300</b>	<b>1,190</b>	-

Source: Data has been extracted from Measure updates from WEFO correct as at 23 February 2004

**Table 2.3 Breakdown of Resources for Management and Leadership Related Priorities and Measures**

	£000	£000	£000	£000	£000	£000
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Priority and Measure	P1:M3	P1:M4	P2:M4	P4:M5	P5:M7	Total
Total Funds Available	68.868	85.422	25.276	19.682	18.807	218.055
Committed to Date	29.091	37.680	15.558	10.604	11.884	103.817
Projects Under Appraisal	22.762	21.721	1.973	2.008	n/a	48.464
Balance	17.015	26.021	7.745	7.070	6.923	64.744

Source: Data has been extracted from Measure updates from WEFO correct as at 23 February 2004

As at February, 2004 almost £104million grant has been committed to these measures. Based on the outputs it is clear that projects under these measures are providing some MLD opportunities. However, due to the limited information available on the individual projects, it has proved difficult to identify and quantify which of these projects have evidence of management and leadership related activity. It is likely that many of the projects incorporate only elements of MLD as part of the overall project.

The exception to this is Priority 1, Measure 4 whereby over half of the projects are directly developing management and leadership within SMEs. As illustrated in Table 2.4 the total cost of these projects is valued at over £51million attracting a grant of almost £22.5million. However, there is still a balance of over £26million to be committed under this measure.

**Table 2.4. Breakdown of Management/Leadership based Projects under P1:M4 'Supporting Management Development**

Project Type	Number of Projects	% of Projects	Grant (£000)	% of Grant
Management/ Leadership based projects	36	55.4	£22.467	59.6
Other Projects	29	44.6	£15.212	40.4
Total	65	100	£37.680	100

## 2.7.2 Objective 2 Programme

There are no specific outputs which relate directly to MLD. However, there are broad activity outputs related to developing and sustaining competitive SMEs under the following Priorities and Measures:

*Priority 1, Measure 1 – Support for Enterprise, Innovation and SME development*

*Priority 2, Measure 1 – Rural economic development*

*Priority 3, Measure 1 – Capacity building & community initiatives in urban communities*

*Priority 3, Measure 2 – Developing the social economy*

Based on the project descriptions given, there are no projects specifically delivering MLD under the Objective 2 programme. There are, however, projects which incorporate elements of MLD, but it is not possible to isolate all these projects with any great certainty, due to the limited information available on the WEFO database.

An example of this is 'HELP Wales' which aims to increase collaboration between Higher Education Institutions (HEIs) and SMEs through delivering innovative consultancy projects to help new and existing SMEs develop new products, exploit new technology and explore new markets.

### **2.7.3 Objective 3 Programme**

Objective 3 has a clearer focus on Management Development with one measure entirely devoted to it. Priority 4, Measure 1 aims to improve the competitiveness of enterprises by supporting management training and development. Interestingly, the finances allocated to this measure represent 15% of the total available for Priority 1 (Promoting Business Competitiveness).

Priority 4, Measures 1 and 4 listed below have management-related outputs. The outputs which correspond to the Measures above are highlighted in Table 2.5.

The other seven Priorities and Measures contain projects with elements of MLD that have no specific outputs to correspond to this;

*Priority 4, Measure 1 – Supporting Management Development*

*Priority 4, Measure 4 – Support to Encourage and Develop Entrepreneurship*

*Priority 2, Measure 2 – Capacity building for community based projects*

*Priority 2, Measure 3 – Development of business opportunities in the social economy*

*Priority 3, Measure 1 – Developing new or improved guidance & learning systems*

*Priority 3, Measure 2 – Increasing participation & attainment in life-long learning*

*Priority 4, Measure 2 – Skills & Knowledge Development for the Workforce*

*Priority 4, Measure 3 – Encouraging innovation R&D, and the Information society growth*

*Priority 5, Measure 1 – Anticipation and analysis of skills needs*

Priority 4, Measure 2 does not have any management-related outputs, but does have 8 projects which include elements of MLD. The details of these can be found in Table 2.5

Table 2.5 shows that in the Objective 3 programme there are six outputs which relate to MLD. The total output target is to train 2,285 individuals and assist 170 businesses in management competencies. Unfortunately, WEFO could not provide an update on progress against some of the targets.

There are 22 current management-led projects receiving a combined grant of £1.7 million under the Objective 3 programme.

**Table 2.5 Breakdown of Management/Leadership Related Outputs by Priority and Measure for Objective 3 programme**

P & M	Output	Target	Forecast to Date	Forecast %
P4:M1	Managers/ proprietors trained	1,950	<b>Not Available</b>	-
P4:M1	Businesses assisted with business-environment management training	70	49	70%
P4:M1	Managers gaining qualifications in business-environment training	35	<b>Not Available</b>	
P4:M1	Managers with higher level management skills	150	<b>Not Available</b>	-
P4:M4	Companies introducing innovation Management techniques	100	<b>Not Available</b>	-
P4: M4	Managers receiving training in Innovation	150	<b>Not available</b>	-

**Table 2.6 Breakdown of Resources for Management and Leadership Related Priorities and Measures for Objective 3 Programme**

	P4:M1	P4:M2	P4:M4	Total
Total Funds Available (£000)	2,820	8,820	3,750	15,390
Committed to Date (£000)	1,380	5,710	2,200	6,040
Balance	1,440	3,110	1,550	6,100
Number of Management-Led Projects	14	2	4	20
% of Total Projects Approved	100%	4%	28%	-
Grant allocated to Management based projects (£000)	1,380	58	260	1,698
<b>% of Committed Grant</b>	100%	1.8%	47%	27%

## 2.7.4 Summary of European Funding

Table 2.7 below provides a summary of all current management and leadership led based projects across all three programmes. The outputs are broadly split between individual targets, business targets, and number of management projects.

**Table 2.7 Summary of Management/Leadership Led projects and Indirect Management/Leadership projects across Objective 1, 2 & 3 Programmes**

Programme	Objective 1	Objective 2	Objective 3
Number of M&L led projects	19	-	22
Grant Value (£)	8.7 million	-	1.7 million
Number of indirect M&L projects	340	50	188
Grant Value (£)	238.3 million	9.7 million	21.3 million
Targets/Performance towards management targets	12,000/ 18,900 received management training  1,190/ 300 management related projects  1,801/ 750 SMEs introduced management techniques/ systems	n/a	2,285 receive management training  170 SMEs assisted with business training & introducing management techniques

## 2.8 Management and Leadership Development in the Voluntary Sector

### 2.8.1 The Voluntary Sector

The voluntary sector is not commonly recognised as a market for MLD by training and education providers. Much work has been undertaken in Wales in recent years to target SMEs, but there has been no similar focus on voluntary organisations despite the fact that they represent a significant

part of the Welsh economy. The voluntary sector in Wales is a very diverse grouping. It includes large national organisations and small community groups.

There are an estimated 30,000 voluntary organisations in Wales. Of these approximately 800 are national organisations covering the whole of Wales; 1200 are regional organisations and 23,000 are local organisations. There are at least 400 organisations in every local authority area. As a whole, it generates an estimated £630m of income <sup>1</sup>

From the desk research undertaken, from those providing services to the Voluntary sector it has proved difficult to distinguish organisations working with the Voluntary Sector who aren't from the Voluntary sector itself as the majority of these also provide provision to other sectors.

To identify organisations offering management development, the WVCA database of training providers was consulted. There were 14 sub categories under the heading of management development. Using the definition applied in this study it was broadened to encompass other categories.

From analysis of the WCVA database of training providers, 73 organisations offering management development were identified. However, 12 of these were not based in Wales so were excluded from the study. This was combined with other desk research to identify a further 39 organisations. Organisations that provide MLD consist of a combination of public, private, and voluntary sector organisations.

The majority of training undertaken by the voluntary sector for the voluntary sector is provided by WCVA and the local County Voluntary Councils (CVCs). It is also provided by national umbrella bodies such as the Welsh Federation of Housing Associations and Voluntary Arts Wales. However, in terms of the total number of organisations offering MLD, it is predominantly supplied by small private sector training and consultancy organisations as is the case for provision for non-voluntary sector organisations.

## **2.8.2 The Needs of the Voluntary Sector**

In Wales, 1.12 million people volunteer, giving an average of 8 hours a month. This is valued at approximately £1.1 billion, which is equivalent to 3.6% of the GDP for Wales. There are an estimated 150,000 trustees or management committee members of voluntary organisations in Wales and

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<sup>1</sup> Wales Voluntary Sector Almanac (2003): A new era? WCVA

an estimated 22,900 paid employees of voluntary organisations representing 1.8% of the total paid workforce in Wales<sup>2</sup>.

Based on existing research, we would expect the number of organisations working with the voluntary sector to be higher. According to the recent Future Skills Wales survey<sup>3</sup> an average of 42.8% of voluntary sector organisations have undertaken management training in the last 12 months.

Clearly, some of the management and leadership skills are generic across all sectors, but there are many sector specific issues which require different skill sets. As with other sectors, the larger organisations are more geared up (and have specific training budgets) for MLD. This is re-inforced by the recent Future Skills Wales Survey which states that

*'Less than one in two voluntary organisations with an income of less than £100k undertake management training. The largest organisations appear to recognise the importance of MLD, and are more able to resource management training'*

This is consistent with our own research. From those who provide MLD to the voluntary sector, the vast majority of the clients listed were either national or regional voluntary organisations, such as WCVA, Shelter Cymru, Age Concern and Oxfam. Interestingly, 7% of these clients were located outside Wales.

Since most voluntary organisations have few paid staff, most have similarities with SMEs. For example, managers' deal with a wide range of day-to-day activities, structures are informal, few staff have management qualifications and there is little time for training<sup>4</sup>. However, voluntary organisations of all types share management needs distinct from those in other sectors, including;

- Working with management committees
- Managing volunteers
- The constant challenge of fundraising – particularly for core costs
- Managing at a distance

The voluntary sector is not commonly recognised as a market for management development by training and education providers. There is a view among some voluntary organisations that existing frameworks to promote good management, such as Investors in People are inappropriate

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<sup>2</sup> Mapping of Voluntary sector activity against Agenda for Action (2003) Eileen Murphy Consultancy Ltd and Kate Thomas WCVA,

<sup>3</sup> Future Skills Wales (2003) research report on skills needs of voluntary sector workforce

<sup>4</sup> Leading Managers, (2001)

to their needs<sup>5</sup>. The need to promote and measure quality as well as outputs is keenly felt, but many managers are unconvinced that these frameworks offer the best tools to do this.

The Voluntary Sector National Training Organisation (NTO) was established in 1997 and is one of the first of a new generation of NTOs to be recognised by Government. Its aim is to ensure that paid staff, volunteers and trustees have access to relevant training and development

From discussions with representatives from the Voluntary Sector there appears to be a perceived gap in the provision of MLD for voluntary sector organisations. This is for two main reasons; firstly, not enough private consultants and training organisations in Wales recognise the potential market value of the voluntary sector and; secondly, as mentioned above, there are differences in the management and leadership needs of the voluntary sector, which providers needs to be aware of.

## **2.9 Observations on Mapping Exercise**

An important issues emerging from this mapping exercise is the lack of consistency and uniformity of data. For example:

- FEIs collect data in terms of 'modules'. Approximately 297 modules form 17 'super classes' which are business and management related. However, a further 484 modules are recorded as 'not specified'.
- The data available under the Objective 1, 2 and 3 programmes is collated in terms of the number of projects. There may well be a range of different types of activities, some delivered via a third party which cannot be captured.
- Nobody appears to effectively evaluate participants apart from FE and HE, who do collate some data in terms of tracking the individuals who have embarked on a particular course, but it is far from comprehensive.

## **2.10 Section Summary**

This section has provided an overview of organisations based in Wales who are providing MLD. The total number of organisations has been analysed by sector and geographic area. The majority of organisations are from the private sector and are based in South-East Wales.

- In addition to the estimated 1601 organisations providing MLD in Wales, there are 41 MLD projects of varying sizes across Wales

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<sup>5</sup> Management Matter, (1999)

with assistance from European funding with a combined grant of over £10million. A further 390 projects with a grant of £369million have management development incorporated within the projects.

- An estimated 12% of the working population are engaged in management development through FE, HE and On-line learning.

Table 2.8 on the next page summarises all the data from this section of the report to provide a map of existing provision in Wales.

**Table 2.8 Summary of Provision**

	Number of organisations	No of MLD opportunities/ courses/ initiatives *
Private Sector	1503	15,000
Voluntary Sector	100	800
Public Sector	62	550
European Programmes	60	619
Online learning - Ufi	-	182
Further Education	23	297
Higher Education	13	198

\* Estimation of opportunities available and uptake are based on projections

It is to be noted that the figures given in Table 2.8 above will not be mutually exclusive. There will be some overlap as, for example, the vast majority of the lead organisations in receipt of European funding will predominantly be from the public sector and therefore a significant number of their initiatives will be European funded.

Taking into consideration the overlap, we can summarise that there are 1601 organisations offering MLD opportunities, Combined they offer at least 17,000 MLD opportunities.

