

# creating future good management practice



a report produced by a working group of the Wales Management Council



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The Wales Management Council, which is funded by the National Assembly for Wales, has been established to promote the development of managers in Welsh businesses and in the public and voluntary sectors in Wales. The Council works with partners, particularly ELWa and the WDA, to achieve this objective.

For details of our current activities, please consult our  
**web site:** [www.crc-wmc.org.uk](http://www.crc-wmc.org.uk)

Wales Management Council, PO Box 61, Cardiff, CF24 5YE.

**Tel:** 029 2045 0224. **Fax:** 029 2045 0231. **Email:** [help@crc-wmc.org.uk](mailto:help@crc-wmc.org.uk)

# preface



Wales faces many challenges in the next decade, challenges that will require us to transform ourselves into a knowledge-driven economy that will need to compete with the best nations in the world. As this report indicates, managers within Wales will face many different challenges to keep up with the various changes affecting their everyday working lives as well as the future development of their organisation. In particular, it is becoming clear that new technology will need to be harnessed efficiently and effectively to understand and respond to the changing needs of increasingly sophisticated customers.

Welsh managers will have to change their thinking and style to enable the empowerment of individuals within their organisation to take place, ensuring that people at all levels are involved in the drive for competitiveness. New skills will also need to be learnt in the areas of technology, leadership and entrepreneurship to ensure that organisations, and individuals within the organisation, are fully enabled to take full advantage of the changing business environment.

Most importantly, the drive in creating an environment in which management development is at the heart of any business must be achieved through close partnership and collaboration between bodies such as ELWa and the Wales Management Council, Welsh business schools and, most importantly, the private sector. Clearly, if we are to be at the forefront of the new economic order, then management development must be placed as one of the key economic priorities in Wales.

Dylan Jones-Evans

Chair of the WMC Working Group

We trust that this Report will be of value in preparing for the future to:

- Managing Directors and Business Owners and to Chief Executive Officers in the public and voluntary sectors in planning the development of their managers
- colleges and training organisations in preparing the development of their management development programmes
- managers themselves in planning for their own professional development

# executive summary



## 1.0 Introduction

1.1 The brief given to the Working Group was to identify the changing skills needs of managers in the future. One of the important conclusions of this study is that managers will continue to need the currently identified managerial skills. However, there will be a need for many of these skills to be developed and extended to take account of changing organisational structures, the changing ways of working due to the development of technology and the changing pattern of world trade. In particular, people management and communication skills will be even more important in the future. This Report does not attempt to define a comprehensive range of management skills but attempts to highlight the changes that will be required. The following is a summary of these new skills and contains references to the Sections on the Symposium Outcomes.

## 2.0 Technology skills

2.1 Current and future managers will need to be able to understand the developing technology in order to:

- understand the potential use of the technology in their organisation and the rate at which the technology is developing
- understand the implication of the developing technology on markets
- understand the probable future developments in technology which could affect their organisation as a threat and as an opportunity
- be an effective user of the technology, as a car driver rather than a specialist mechanic, in order to provide a role model within the organisation
- be able to set out the required outcomes from technology systems in order to be able to prepare a brief for design specialists
- be able to understand technological solutions being put forward by more technology literate staff

2.2 Given this level of understanding and technology competence, managers should be able to:

- develop their people management skills to deal with the additional requirements identified in paragraph 4.3 of the Symposium Outcomes
- carry out their responsibilities for financial and physical resource management in a far more effective manner
- manage information as detailed in paragraphs 4.6, 4.7 and 4.8 effectively

2.3 Some of the comments received reinforced the view that there was an urgent need to develop the technological skills of managers.

### 3.0 Leadership skills

3.1 Leadership and mentoring skills are currently recognised as a requirement of managers but it is considered that more emphasis should be placed on the development of leadership and mentoring skills amongst managers in the future. There will be an emphasis on leading multi-disciplinary teams and providing leadership to teams of dispersed staff. This is of particular importance in the development of senior managers for the effective development of Welsh organisations

### 4.0 Entrepreneurship

4.1 It is considered essential that managers develop entrepreneurship skills if Welsh organisations are to develop and flourish within an increasingly competitive future business environment. Entrepreneurship skills are required in order to:

- be able to identify opportunities for their own organisation and to investigate and develop these opportunities for the benefit of the organisation
- be able to take advantage of any opportunity to establish own business, or a subsidiary of the original business, for personal benefit, for the provision of new employment and benefit to Welsh GDP

### 5.0 Other skills

5.1 Other skills that require greater emphasis in the future include:

- to have an open mind to consider all possible options and methods of working
- to have an understanding of risk assessment and develop risk management skills

- to have an understanding of knowledge management
- to be open to share information and work in partnerships with other organisations
- to be able to identify the greater skills and commitment required by employees and be committed to the development of their staff
- to learn the process of learning
- to be committed to their own continuous professional development as managers
- to have the confidence to be able to take on a proactive staff development role to develop trust and ensure a commitment of the employees to the use of technology, customer focus, partnerships, team working, continuous improvement and continuously develop their own skills

### 6.0 Use of time

6.1 Technology enables more information to be available quicker, enables global communication on a 24/7 basis and developing mobile communication make senior managers accessible on a 24/7 basis. This can lead to stress problems amongst managers so time management and developing the ability to say “no” becomes even more important for managers. It is essential for managers to be able to take quality time out from the routine duties to undertake strategic thinking both as an individual manager during the working day and as a team of managers considering strategic issues for the organisation.



# introduction



*Pictured from left are*

*Tina Stephens, Wrexham*

*Business School,*

*Patsy Woodward of*

*North Wales Newspapers,*

*Hywel Roberts of*

*Wales Management Council*

*and Jane Roberts, ELWa.*

## The working group

The Wales Management Council invited one of its Board members, Professor Dylan Jones-Evans, to form a Working Group to investigate the development needs of managers in the future. The Group members were:

- Professor Dylan Jones-Evans, Director of the School of Enterprise and Regional Development, University of Wales Bangor and Board Member of the WMC
- Patsy Woodward, Chairperson, North Wales Newspapers and Board Member of the WMC
- Tina Stephens, Wrexham Business School, NEWI, and Chair of the North Wales Management Development Group
- Andrew Martin, Head of Workforce Development, ELWa North
- Jayne Roberts, Business Development Manager, ELWa North
- Hywel Roberts, WMC North Wales Executive providing the secretariat to the Group.

## 2.0 The key speakers

At the first meeting in January 2001 it was decided to invite three specialists to lead a small symposium consisting of managers from a representative range of large and small businesses and public and voluntary organisations in Wales. The key speakers were to be able to speak on technology changes, changing organisational structures and the future for small businesses and this sector is important for us in Wales. The speakers invited were:

- Denis Johnston, Principal Consultant, BT Communications Consultants
- Irena Grugalis, Manchester School of Management, UMIST, member of a team working on an ESRC Future of Work Project "Changing Organisational Forms and the Re-shaping of Work"
- Ted Fuller, Director of the Small Business Foresight Project, University of Durham.

Brief biographies of the key speakers are given in Appendix 1.

## 3.0 The symposium

The Symposium was held in Llangollen on 11/12 March 2001. The notes taken, the transcripts of the presentations, the group discussions and the plenary sessions were used to prepare a draft report, which was discussed by an extended Working Group meeting on 21 August. A second draft was prepared and, after discussion, resulted in a Consultative Document, which was presented at a Seminar on 15 November. The Wales Management Council is grateful for the comments received at this Seminar and during the following months. These have been taken into account in the publication of the final version of this Report.

# symposium outcome 1

## 1.0 Technology development

1.1 The rate at which technology has developed over the past 30 years is reflected in Moore's Law, which states "Power doubles every 18 months, the costs remain constant". This development has affected all organisations, particularly over the past 10/15 years. Advertisements for personal computers over the past year illustrate this development dramatically. The prediction is that Moore's Law is likely to accelerate in the future.

1.2 The development has led to the ease of maintaining and transmitting information both within and between organisations and allowing far easier access to information and knowledge. The analysis and presentation of data, which in the past was often a time-consuming chore, is now made quick and easy.

1.3 The technology has made it possible for people to work at a distance from each other and to network effectively. We can now communicate globally and hence work within a global market. Organisations are increasingly working on a 24/7 basis and it is foreseen that this trend will continue.

1.4 Global communications allow for geographical and temporal barriers to be broken down. Physical premises are becoming less important and this allows small businesses to compete effectively with larger companies in appropriate markets.

1.5 Young people coming out of schools and colleges are and will become increasingly IT literate and well able to understand and use the new developing technology.

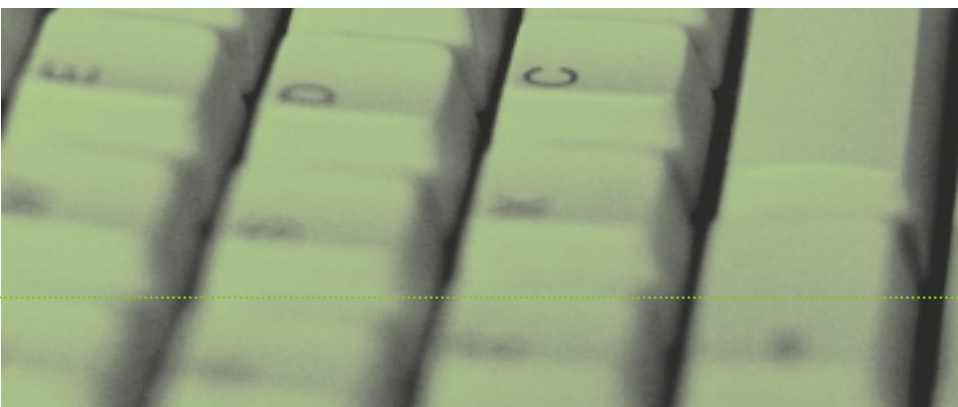
## Challenges to managers

The challenges to managers include understanding the new developing technology to understand:

- how it can be used to operate more effectively within their own organisation with the increased use of PC networks, use in design and production etc. as appropriate
- how it can be used for external communication to gain knowledge from external sources, to communicate with suppliers and customers and other external bodies
- how it could be used to develop new marketing opportunities
- the possible developments in the foreseeable future in order to be able to anticipate and be ahead of the competition
- sufficiently to ensure that the business drives the technology and not allow the technology to drive the business

### The challenges to managers also include:

- deciding the relevant information to maintain when such a mass of information is possible and using this information to manage
- managing people who are highly IT literate and understand the capabilities of the new technology better than they do
- managing staff who may be working at home or at other locations away from the main physical location
- managing network relationships



# symposium outcome 2

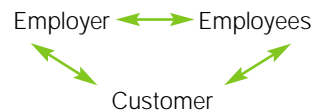
## 2.0 Meeting the needs of the customer

2.1 The trends of the past 10/15 years in recognising that meeting the needs of the customer is the key factor leading to the success of any organisation will continue.

The traditional

Customer ↔ Employer → Employees

relationship has developed into a triangular relationship



This has resulted in all employees becoming aware of the importance of meeting the needs of the customer and the importance of the internal customer relationships within the organisation to meet this goal. It is foreseen that this emphasis on the customer will become even more important in the future.

2.2 The developing technology makes it easier to develop the internal customer relationships and to communicate with external suppliers, partners, sources of information and customers.



### Challenge to managers

The challenge to managers will be to utilise and manage the new technology to:

- enhance the internal customer relationships within the organisation and with employees who may be working at home or elsewhere off-site
- to continuously seek to establish the customer's true needs, to monitor customer satisfaction and to feed back this information to relevant staff throughout the organisation
- to ensure that employees have access to relevant information from internal and external sources in order to perform their work and be in a position to identify opportunities for improvement
- to ensure that they have the skills to analyse the information obtained from customer feedback and other source and to assess the risks associated with the various options for action presented
- to identify new potential customers and new market opportunities
- to monitor competition across the globe



# symposium outcome 3

## 3.0 The changing business environment

3.1 The past 10/15 years has seen the increasing development of management systems standards and use of models such as the EFQM Excellence Model as a diagnostic tool for self-assessment and identification of opportunities for improvement. This has resulted in employees being given more responsibility for ensuring the quality of the product or service they provide and managing their own work. There has also been a trend towards team working. It is foreseen that this trend of giving all employees more responsibility for their own work, team working and the need for continuous improvement will continue.

3.2 This will involve establishing and setting appropriate performance measures, maintaining records of performance measures and benchmarking performance against appropriate external sources. The new technology is making it much easier to record and monitor performance measures, show trends and make external comparisons.

3.3 Recent years have seen growing external social influences on businesses that have resulted in increasing legislation and social pressures. Examples are environmental issues; employment rights and welfare issues and social responsibility issues particularly for organisations working in third world countries. This means that managers must be very aware of the continually developing social and political environment in which they operate in addition to the economic environment, which they have traditionally considered.

3.4 The traditional "job for life" is rapidly disappearing and employees are becoming accustomed to changing jobs more frequently and there is a trend towards fixed term contracts. Tomorrow's workforce will need to be more skilled and their knowledge will be their key to success.

## Challenges to managers

The challenges to managers include:

- managing in the variety of different types of, often flatter, organisational structures where employees, often working in teams, are empowered to take responsibility for the quality of their own work and to initiate improvement programmes
- using the new technology to improve the means of recording appropriate performance measures, disseminating this information quickly to relevant personnel, obtaining appropriate external data for making comparisons and using this information for taking management decisions leading to continuous improvement
- recruiting, developing and managing a skilled workforce in an environment where they may be changing employers frequently and working on fixed term contracts and where knowledge is the prime resource rather than physical or manual skills
- being aware of the external economic, social and political environments



# symposium outcome 4



## 4.0 Developing managers to meet future needs

4.1 The Management Standards (see Annex 2 for reference), and traditional thinking, categorise the competencies, skills and abilities required by managers into the following broad categories:

- managing people both within and external to the organisation to achieve objectives
- managing financial resources to achieve objectives
- managing physical resources to achieve objectives
- managing information in order to take effective action
- having the necessary knowledge and skills to carry out the above effectively at various levels from first line supervisor to senior manager
- having the necessary understanding, knowledge and skills to undertake specialist functional managerial roles
- having the necessary understanding, knowledge and skills to undertake strategic managerial roles at the highest management levels

4.2 These competencies, skills and abilities, and the necessary knowledge and skills to carry them out effectively, will continue to be needed by managers in the future. The following paragraphs will examine the additional requirements for managers in the future due to:

- a variety of different types of organisational structures, including virtual organisations, resulting in more employees having an element of managerial responsibility within their role even though the word manager or supervisor does not appear in their job title
- the impact of the developing new technology
- the increasing emphasis on meeting customer needs means that more employees down the line are likely to have contacts with customers and other external bodies
- the increasing empowerment of employees to take responsibility for their own work and to initiate programmes for improvement
- the increasing need to use performance indicators and make external comparisons in order to take effective management decisions

## People management

4.3 People management has traditionally involved leadership styles, establishing effective relationships, communication skills, managing staff to achieve objectives, delegation, empowerment, discipline, team working, assessment, appraisal and development of staff. In future this will be extended to include:

- establishing and managing distant relationships with own staff working at remote locations including home
- establishing and managing distant relationships with suppliers, customers, partners and other relevant stakeholders including regulatory authorities
- dealing with possible problems of isolation resulting from over reliance on e-mail communication within the organisation and from home working
- dealing with the implications, threats and opportunities of the 365/24/7 approach and mobile communications which will become increasingly a feature of future working patterns
- developing staff to cope with quickly changing organisational structures and communication methods
- managing technical staff whose professional understanding and ability greatly exceeds one's own
- increasing need for efficient self-management in terms of self-development, time management and the implications of isolation in dealing with a remote workforce and remote colleagues

## Managing financial and physical resources

4.4 The objectives here will not be greatly changed but the new technology will speed up processes, give access to more information and assist the ability to carry out these responsibilities effectively. It is now much easier to maintain accurate records of physical resources, maintenance records, deployment schedules etc and to carry out virtual planning exercises before implementing any changes. Equally financial information is more accurate and accessible and it is easy to carry out "what if" scenarios and to evaluate the risk associated with the different alternatives.

4.5 Managers must be able to identify the business needs and prepare the specifications for technological systems to meet the business needs.

## Managing information

4.6 Information about one's own organisation is now much easier to prepare and quicker to obtain which means that management decisions for corrective action or leading to improvement can be taken on a shorter time-scale. External information is now much easier to access. Current and future managers will need to avoid information overload and:

- establish appropriate performance indicators to measure performance, establish recording and reporting processes which will allow empowered staff to take any required decisions quickly on corrective or improvement actions
- explore and establish external partnerships and external sources of information in order to benchmark the organisation's performance

4.7 The new technology can be increasingly used to facilitate continuing customer communication in order to:

- establish the customer's current real need and anticipated future need
- obtain the customer's perceptions of the product and/or service provided and perceptions of that provided by competitors
- explore the activities and performance of competitors

4.8 Information obtained from customer communication can be used to feed back to the appropriate staff within the organisation in order to:

- improve the product and/or service to the customer
- improve the information provided to customers and potential customers
- identify potential new products and/or services
- identify potential new markets
- identify potential new methods of delivery of products or services to customers

# symposium outcome 5

## 5.0 Small businesses

5.1 The needs of managers outlined above are relevant to all managers including those working within small businesses. However, there are aspects of the use of technology which have particular importance to small business including:

- small businesses can react quicker to new developments in technology in that the investment, although high for a small business, will be much cheaper than for a large business which may have to change its complete system
- because of less importance attached to premises, smaller businesses can compete effectively with larger businesses
- small businesses can use the technology to identify niche markets and compete effectively within such markets
- small businesses can market more effectively and distance become less of a problem with the new technology
- support information for customers is becoming far cheaper using the new technology

5.2 There is a view that many small businesses lack the confidence to develop their staff, fearing that once developed these staff will leave to join competitors. There is therefore a need to demonstrate the benefits of a well-developed competent work force to small businesses in order to generate the confidence.

5.3 There is a view that the emotional attachment should be removed from the owner managed business and the "serial entrepreneurial" approach developed. This involves owner managers recognising that there is a life cycle to the start and development of a small business. They should recognise the need to develop a suitable exit strategy and move on to establish and develop a new small business.



# annex 1: key speakers

## **Dr Irena Grugulis**

*Lecturer in Employment Studies, Manchester School of Management, UMIST*

Irena Grugulis is a lecturer in Employment Studies at Manchester School of Management, UMIST and an associate fellow of SKOPE, University of Warwick/University of Oxford. She has been at UMIST since 1997, re-entering university life after working in investment banking. Her main area of interest is vocational education and training and she has researched into and published on NVQs, management training, the nature of managerial work and managing culture, having been funded by both the ESRC and the ERDF.

She is currently working with several colleagues from UMIST on Changing Organisational Forms and Organisational Performance, a project funded under the ESRC's Future of Work series and is organising an ESRC-funded seminar series on Critical Management Studies. She is on the ESRC's Management, Linguistics, Philosophy and Education College, sits on the national executive of the British Universities Industrial Relations Association, is a council member of the Manchester Industrial Relations Society and is an editorial board member of *Personnel Review*. She has acted as an adviser to the National Skills Task Force on management skills.

Within MSM, she is Programme Director of the MSc in Personnel Management and Industrial Relations and co-director of the Executive MBA Programme (with Manchester Business School). She organised the 16th Annual Labour Process Conference, was a founding organiser of the First International Critical Management Studies Conference and worked on the Second International Critical Management Studies Conference held in Manchester in July 2001.

UMIST Manchester School of Management website: [www.ac.uk/management](http://www.ac.uk/management)

## **Ted Fuller**

*Durham University Business School*

Ted is Director of the Foresight Research Centre at Durham University Business School and before that he ran the Knowledge Systems Centre. Previously he was Deputy Director of the Small Business Centre.

He comments: "Small business and entrepreneurship is socially beneficial. My small contribution is theory building from insights gained through qualitative research and working with business. My recent work is towards a theory of the small enterprise as a nexus of relationships and actions. In this mission I am informed by several theoretical bases, including interpretive analysis, constructivist methodologies, complexity and realist science. Mainly I try to engage with the research subjects. I have also held business directorships, starting my first business at 18.

"Working with colleagues, current projects include e-business strategies for firms and regions, business foresight methods and practice, and small enterprises in the information economy. I am writing up recent research on how Information and Communication Technology is shaped by, and shapes, the relationship between small business and their stakeholders."

Ted has over 150 publications including books, academic papers, manuals, software tools, research resources and practitioner guides and pamphlets.

Details of Ted's work can be found on: [www.dur.ac.uk/ted.fuller/](http://www.dur.ac.uk/ted.fuller/)

## **Denis Johnston**

*Principal Consultant, BT Communications Consultants Group*

Denis Johnston is one of the UK's foremost speech researchers with over 25 years of experience in all aspects of speech and signal-processing. Until recently he managed the Signal Processing Campaign with BT and has headed up various teams at BT Labs spanning areas as diverse as Speech Quality, Echo Control and Imaging Technology.

He holds several world firsts - including design of the first hands-free speech controlled mobile phone and the first use of neural nets for non-linear echo cancellation. He has published widely and holds key patents in signal processing. Alongside his management roles Denis has maintained his "hands-on" technical skills and regularly exercises his software abilities by trying out new ideas and algorithms.

A favourite quote: "There is nothing more practical than a good theory."

Details of BT's Strategic Consulting activities can be found on: [www.c2g.bt.com](http://www.c2g.bt.com)

# annex 2: useful websites

The following websites contain information that will be useful to people interested in management development issues and the development of work in the future.

**Wales Management Council**  
[www.crc-wmc.org.uk](http://www.crc-wmc.org.uk)

This site contains a wide range of information about Management Development issues and contains useful website addresses of organisations relevant to management development.

**Council for Excellence in Management and Leadership**  
[www.managementandleadershipcouncil.org](http://www.managementandleadershipcouncil.org)

This organisation has similar aims to the WMC on the UK level and contains information about working groups, research being undertaken, publications and useful links.

**ESRC Future of Work Programme**  
[www.leeds.ac.uk/esrcfutureofwork/](http://www.leeds.ac.uk/esrcfutureofwork/)

The Economic and Social Research Council is funding a massive research programme with projects being conducted in some 20 universities throughout the UK. This site gives an overview of the programme, details of all the individual projects and enables you to access each project individually and get details of contacts, progress and publications.

**The UK Foresight Programme**  
[www.foresight.gov.uk](http://www.foresight.gov.uk)

This DTI programme established in 1994 addresses a wide range of social and economic issues which could affect the quality of life in the future with references to working groups, panels, reports etc.

**Small Business Foresight**  
[www.dur.ac.uk/foresight](http://www.dur.ac.uk/foresight)

This is the site of the Durham University Business School Small Business Foresight Programme which has reference to work, published reports and links to similar sites in the UK and abroad.

**BT Innovation**  
[www.groupbt.com/innovation](http://www.groupbt.com/innovation)

This site gives access to BT's Futurologist and the work being conducted.

**Policy Studies Institute**  
[www.psi.org.uk](http://www.psi.org.uk)

The site gives details of research studies relevant to social, economic and industrial policy, many of which look at change and future developments.

**Institute for Public Policy Research**  
[www.ippr.org.uk](http://www.ippr.org.uk)

This site gives details of general social, economic and political research work concerning the future.

**The Institute of Management**  
[www.inst-mgt.org.uk](http://www.inst-mgt.org.uk)

The Institute is the professional body for managers and contains details of membership, Continuous Professional Development and a wealth of information of value to managers.

**The Management Standards Centre**  
[www.management-standards.org](http://www.management-standards.org)

The Centre is an independent unit within the Institute of Management and is recognised as the Standards Setting Body for Management. It is continuing the work of MCI in developing the National Occupational Standards for Management.

**ELWa (Education and Learning Wales)**  
[www.elwa.org.uk](http://www.elwa.org.uk)

ELWa is the organisation responsible for funding further and higher education and training in Wales and the site contains information about the financial support which may be available to assist businesses to develop their managers.

**Business Connect**  
[www.businessconnect.org.uk](http://www.businessconnect.org.uk)

This site details the business support agencies and support programmes available throughout Wales.

**Investors in People**  
[www.iipuk.co.uk](http://www.iipuk.co.uk)

This site gives details of the IIP standards for the development of people within your organisation.

**Wales Quality Centre**  
[www.qualitycentre.org.uk](http://www.qualitycentre.org.uk)

This site gives details of the Excellence Model, the Wales Quality Award and the programmes available to assist organisations to develop.