

Management -



Think About It



Cyngor Rheolaeth Cymru
Wales Management Council



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The Wales Management Council is an employer-led body, funded by the Welsh Assembly Government to promote the development of managers in the private, public and voluntary sectors in Wales.

The Wales Management Council aims to inspire, motivate and drive change in the perception, delivery, take-up and funding of management and leadership development in Wales.

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For more information about the work of the Wales Management Council, please visit our website www.walesmanagementcouncil.org.uk.



Introduction

Wales Management Council works with partners within and beyond Wales to promote better management performance at all levels in the economy.

As part of that task we encourage managers to consider how they can expand their own capabilities and become better at what they do.

Each month on our website we publish a monthly digest of ideas, comments and suggestions to help managers think about the practical challenges that they face, every day.

This annual collection brings together a selection of these ideas from the last twelve months.

We don't pretend to have all the answers, but we hope these questions promote thinking that is helpful.

If you have any views on any of the issues raised, please let us know. Our contact details are on the opposite page.

Wales Management Council
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What if...?

Managers usually find themselves working within limited budgets and need to be realistic about what can be achieved with the resources available. Is there a danger that this might also limit their vision for the business?

What if someone offered to invest £5 million in your business tomorrow? Would you know what to do with it?

Do we aim too low in business because we fix limits to our vision before we even define the vision? Franklin D Roosevelt said: "The only limits on our realization of tomorrow will be our doubts of today." Why not ask yourself....

What if I couldn't fail in my current position, what would I like to do?

One of the most difficult tasks facing a manager is to try to cut costs significantly without reducing capacity or damaging the fabric of the business.

"What if you were forced to cut 10% of your costs tomorrow? Where would you start and would your business be better if you did it anyway?"

People

According to Jacqueline Royall, Vice President Supply Chain for analytical

instrument maker

PerkinElmer Inc, too many employers treat job interviews as cosy "get to know you" chats when they should be far more systematic in their questioning. The results can be poor appointments which weaken the whole organisation.

How do you approach interviews? Do you clarify the job description in your own mind, establish a firm profile of the ideal person and prepare challenging questions on what the candidate is likely to contribute to your organisation?

According to Adrian Gilpin of the Institute of Human Development "if you put people where they are at their most powerful they will be powerful for you."

Are your staff in the jobs where they can perform to their optimum or are their talents diluted by trying to perform functions for which they are less well-suited?

If you're looking for quick fixes to workplace conflict you might be interested in the thoughts of Cardiff Psychologist Derek J Smith from UWIC.

"Managers trying to eradicate conflict need to understand that they are in the hot seat of a new applied science in the making. There is no true science of corporate zoo-keeping. To succeed, managers need to understand better a whole range of things simultaneously; from human ethology, the science of primitive behaviour, to discourse analysis, the key to genuinely effective communication." Easy really!

What's the essence of your approach to conflict resolution or avoidance?

Customers

Some argue that a softly softly approach to chasing overdue invoices only puts you to the bottom of the payment queue. However experienced Cardiff credit controller Virginia Osborne recommends building relationships with debtors and giving them positive reasons to pay you ahead of competing creditors.

How do you approach those who have taken longer than their allotted credit period?

Relationships with a small number of key customers can sometimes become so comfortable that we allow our dependence on them to grow to a dangerously high proportion of our turnover.

If you lost your three top customers tomorrow, would the remaining turnover be enough to ensure survival or have you got a 'plan B' in mind?

Current estimates suggest that, on average, it costs four times as much to gain a new client as it does to retain an existing one.

Apart from delivering to a high standard on your contract with your existing clients what do you do to consolidate relationships with them?

Marketing

US department store pioneer John Wanamaker used to say that half of what he spent on advertising was wasted but he was never sure which half.

How do you evaluate your spending on marketing activity to establish whether or not it is feeding through to the bottom line?

Conventional wisdom in marketing is that you don't buy coal, you buy heat and that you don't buy spectacles, you buy better vision.

Are you confident that all of your staff have a proper understanding of what they're really selling to your customers?

Cosmetics mogul Estee Lauder is on record as saying: "If I believe in something I sell it and I sell it hard."

Do you agree with that approach? If not, is it because you don't believe in the hard sell or that, deep down, you don't believe enough in your product or service?

Innovation

Ruth Chapman,
Managing Director of metal
coatings firm Peatleys found that
moving her business up the value chain

required nothing more complicated than allowing her staff to carry out their work at the customer's site, as well as in their own factory. She discovered this simply by listening to customer comments and realising how much this additional service would be valued.

Is there a higher-value product sitting under your nose that could be delivered by your existing staff and resources and could generate greatly improved margins?

According to the Irish author and poet James Stephens originality doesn't consist of saying what no one else has ever said before. It comes instead from saying exactly what you think yourself.

Do you hamper your capacity for innovation by spending too much time and energy trying to be truly original when all that's required is to be open and honest in identifying solutions to the problems in hand?

"Quality Circles" were embraced by 90% of Fortune 500 companies in the early 1980s as the miracle cure for their management problems. By 1987 more than 80% had dumped them again.

How can you spot the difference between a theory that will really inject new life into your company, and a passing management fad that may waste everyone's time?

Staff Development

Allan Martin

of South Wales management consultancy CAM Solutions believes it's impossible for staff to see the big picture of company performance unless they understand how they personally can influence that picture. He believes too many companies think they are empowering staff by simply briefing them on the company's ambitions without creating this vital link back to the individual.

How do you make sure everyone understands their personal role in the firm's overall performance?

When managers return from off-site training their in-tray is often so full that, by the time they've cleared it, they've forgotten what they learned on the course.

Do you plan for the first day back at the office to ensure you or your managers are able to apply and consolidate any new knowledge and skill gained from training?

"No mistake by an individual member of staff is ever going to cost you your business, but if all staff are afraid to make mistakes, it could well cost you your business – *Adrian Gilpin, Chairman of the Institute for Human Development.*

Do you do enough to give your staff the confidence to take risks?

Diversity

Research by the Co-operative Bank found that 64% of small and medium sized companies in Wales believe it is right to try actively to ensure the make up of their workforce reflects the ethnic mix of the community from which it is drawn.

Modern management is strongly motivational, and more willing to share the credit for success than has traditionally been the case in business. According to Ann Beynon, National Manager for BT in Wales, these are characteristics more commonly found in women than men, making it likely that female representation at the top will continue to grow in the years ahead.

In your experience do women generally have a different attitude to management?

Inequalities cost companies dearly, whether they realise it or not. Businesses can't expect to recruit the best people for top management positions if they consciously or subconsciously restrict themselves to only half the working population. So says Ruth Marks, Chief Executive of Chwarae Teg, the organisation which encourages women's role in economic development in Wales.

Are these suspicions well founded in your case, or do you feel you always give equal consideration to both genders when looking for senior managers?

Apart from compliance with equal opportunities legislation, what steps do you take as a manager to ensure your workplace is equally welcoming for people from all backgrounds?

Culture

According to author Professor Richard Scase, the work ethic in Britain has been eroded by a culture of cynicism and growing distrust of bosses, with the result that many employees get away with doing as little as possible.

Is that your experience and, if so, how can employees' faith in management be restored?

With ten new countries joining the EU last month we're more likely to come into contact with business people from very different cultures. Even slight physical gestures such as eye contact or courtesies such as use of first names can mean the difference between business gained and business lost.

Are you up to speed with possible cultural pitfalls, or do you think this is irrelevant in an increasingly global market?

If you walked into your own company as a customer tomorrow would the experience be exactly as you would wish it to be?

Have you established a culture in your business that ensures your own values are fully reflected in the way your staff behave towards others?

Incentives

Some industry experts argue that it's good policy always to set ambitious targets for staff, as this stretches them and keeps them on their toes.

How can you set credible goals that challenge staff enough to get the best from them but avoid the danger of demoralising them or making them cynical if they find themselves missing the mark too often?

In a Chartered Management Institute survey 73% of Welsh managers gave "a sense of purpose" as their strongest incentive to perform while only 3% admitted that money was the main motivator.

If this is a true reflection of managers' outlook in Wales what do you do to ensure your managers have this sense of purpose?

Deiric McCann of Management and HR consultants Profiles International argues that the motivational effect of a salary increase lasts only as long as it takes for the recipient to see the post-tax amount on his or her payslip.

Do you agree that pay rises are only a short term fix and what other means do you use to sustain people's motivation in the longer term?

Decision Making

It has been argued that the essence of strong management and leadership is decisiveness and that, when it comes to building confidence and trust, making a bad decision is better than making no decision at all.

Is this right? Have you ever made a decision with which you were uncomfortable simply because you feared that sitting on the fence might cost you the respect of staff?

You've got two excellent job candidates running neck and neck in qualifications, track record and interviews. What's your tie-breaker? Said Paul Pursey, MD of Axiom Manufacturing Services: "For me it's got to be the best 'people' person. I try to imagine how well the people they would be working with would get on with each one. Hobbies tell you a lot. It's amazing how many people say they are good team-builders but pursue mainly solitary pastimes outside work."

How do you go about making hair's-breadth recruitment decisions?

"Planning for succession in a business is a combination of judgement and trust. Many managers have the good judgement to pick the right people but then don't trust them to start taking control," said business development consultant John Cable.

Have you any thoughts on how to overcome this traditional reluctance to let go of responsibility?

Leadership

In a recent survey by the body "Leaders for London" two thirds of chief executives said age and experience were vitally important management attributes and that leadership skills improved with age.

Do you agree? Are you making the most of the experience of your older managers or do you naturally favour the energy and enthusiasm of youth when it comes to promotion decisions?

Many argue that the role of a leader is to set visions, build teams, motivate people, earn respect and get results. A leader constantly challenges assumptions, takes both responsibility and risks and has no truck with the blame culture.

How do you, or those who have leadership roles within your organisation, score on this list of values?

According to Susan Rice, Britain's first female clearing bank Chief Executive, leadership is all about asking questions and really listening to the answers.

When you're leading your team do you simply follow your own instincts or do you first ask the questions that will reveal whether or not people are likely to follow you?

Mentoring

Mentoring has been identified by different bodies of research to be a highly effective route to management improvement, but a good match between the mentor and the manager being mentored is essential if the arrangement is to work.

If you had the opportunity to be mentored, have you considered who, in particular, or what type of person would be of most benefit to you as a manager?

Formal mentoring was regarded as the most effective form of management development by the largest proportion of those running small businesses, according to a Chartered Management Institute survey. It was favoured by four out of ten, nearly twice the proportion who chose MBAs or other business school courses.

Has mentoring delivered the goods for your business?

"Business schools may teach valuable theoretical skills but they can't normally teach a manager how to exercise or feel comfortable with power. Aspiring leaders need experienced mentors to reveal to them how power is gained and wielded within a company," – *Dr David Clutterbuck, author and Co-Founder of the European Mentoring Centre.*

What, in your experience, is the best way to learn the art of leadership?

Time

If you've got enthusiastic staff they can make a huge difference to the bottom line by working long hours without cash reward for their extra contribution.

As a manager should you simply encourage them to carry on doing this and reap the short term rewards or are you risking longer term damage and loss of valuable human assets through burn out?

A recent TUC survey found that millions of people across the UK feel under pressure to stay late at the office in order to create the right impression, get ahead or merely to protect their jobs.

As a manager, do you regard this culture of “presenteeism” as healthy for business and, if not, what steps do you take to ensure staff manage their work within the allotted hours?

According to Cardiff Business School's Small Firms Research Unit, 82% of firms are discouraged from pursuing management development by a shortage of time. Could the consequent shortfall in management skills be making the time hurdle even higher and creating a vicious circle?

How can we break the cycle and persuade SMEs to take the plunge on training?

You

Albert Einstein once said: "It is not that I am so smart, it's just that I stay with problems longer."

In a pressurized business environment are you tempted to opt for quick fixes or do you stay with problems longer in order to get a smarter and more permanent solution?

CBI Director General Sir Digby Jones complained recently that the media portrays a misleadingly negative image of managers and entrepreneurs. For most people their view of business people is directly influenced by their own boss or other managers with whom they come into contact.

Have you ever considered what kind of role model of management you portray to those around you?

Entrepreneur and author Margaret Heffernan believes that curiosity is: "one simple way to stay smart, and those who want to achieve more must always want to find out more."

Do you regard yourself as curious? When you meet new people in business, do you pump them for information about their experiences or just use the opportunity to tell them all about yourself and your business?

Legislation

Ignorance is no defence if your business breaks the law. The

Government usually publicises rule changes and allows a transition period for firms to comply – for example with the new disability access law. However this information may be buried in the pile of “junk mail” that floods through your office daily.

Are you on top of changing legislation or could ignorance be your downfall?

From 1st October 2006 it becomes illegal to discriminate against anyone in jobs or training on the grounds of age. Are there people you've consciously or sub-consciously written out of your plans for the future because you want a younger, more 'vibrant' team? You might not only risk off-loading some very useful mature contributions, you could find yourself facing a tribunal.

Have you really thought how best to use the experience of older members of your team?

"Freelance" workers can be very valuable and flexible, giving you committed contributions during busy periods without you having to commit yourself to employing them. But what if they don't work for anyone else but you?

Are you up to date with the laws on when a self employed contractor becomes a de-facto employee for whom you must pay National Insurance and provide other employee benefits?