

# Tomorrow's Manager



*Skills, Development, Investment*



**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.

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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](http://www.walesmanagementcouncil.org.uk).



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

# WALES MANAGEMENT COUNCIL

## TOMORROW'S MANAGER

*Skills, development, investment*



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Wales Management Council



# FOREWORD

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Managers and leaders in Wales are the key drivers for business growth and economic development, but we believe that many managers and leaders are using yesterday's methods to address today's problems, with little or no thought for the future.

The supply side is driven by prescriptive public funding regimes that all too often lead to provision that fails to meet the needs of business.

The demand-side is constrained by lack of understanding of, or an inability to articulate, their need, a woeful lack of information about what is available to help them, and a dependency culture that looks for subsidy before benefits.

Furthermore, in a country where our industry profile is dominated by SMEs, with 98% of businesses having less than 20 employees, the focus for most small businesses is on putting out today's fires, with little time or interest in taking a long and more strategic look at what may be just over the horizon as a threat or an opportunity.

ELWa's Workplace Learning Review, published in 2005, proposes an increase in the budget which supports "direct skills development with employers" from £6.5 million now to at least £30 million over five years.

But alongside this are growing questions about whether

- such investments of public money produce any discernible benefit in economic terms
- companies should receive any public funding at all for management and leadership development which should be their own investment responsibility.

At the end of 2005 we convened two Working Groups of interested and informed people to explore the complementary issues of

- what management skills will be required in the future, in the light of changes to the way we live and work
- what is the most appropriate way in which public funding should be used to support management and leadership development to meet future organisational needs.

Our discussions, over a period of four months, were challenging and wide-ranging.

There is no simple, or single solution to any of these issues, but we hope that the observations, ideas, and recommendations in this report will stimulate thought, prompt in-depth questioning of the way we do things now, and encourage new and creative thinking about ways in which we can meet the challenges that will face tomorrow's manager in Wales.

Wales Management Council

May 2006

# CONTENTS

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1. Acknowledgements .....	4
2. Executive Summary .....	6
3. Introduction .....	8
4. Future trends .....	10
5. Management skills .....	15
6. Development routes .....	18
7. Investment .....	23
8. Recommendations .....	28

## Appendices

Appendix 1: Future trends: a summary from other sources .....	31
Appendix 2: Management Skills for the Future .....	35
Appendix 3: National Occupational Standards for Management and Leadership .....	37
Appendix 4: Bibliography .....	39

# I. ACKNOWLEDGEMENTS

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We would like to thank all those involved in our two Working Groups whose discussions and recommendations form the basis of this report:

## A. MANAGEMENT IN THE FUTURE

### **Shaun Ashmead, Managing Director, Axiom Manufacturing Services Limited**

Contract electronics manufacturing provider focused on optimum overall cost, design and manufacturing solutions to technology-based companies within the medical, industrial, defence and automotive market sectors.

### **Dr. Kok Leong Choo, Senior Lecturer in Strategic Management, UWIC**

Strategic Management at final year undergraduate, postgraduate and professional doctorate degree. Research interest: critical Management education with emphasis on pedagogic development.

### **Chris Daniel, Wales Area Forum Chair, Chartered Management Institute**

The regional forum chairman of the Institute branches in Wales, also External Assessor in management qualifications.

### **Phil Davies, General Manager, Thomson Financial**

Operations Manager for Thomson Financial, one of the most complete sources for integrated information and technology applications in the financial services industry.

### **Dr. John T.S. Gunson, Senior Lecturer, UWIC**

MSc Information Systems Programme Director and tutor for MBA including design of new MBA Project Management (first of its kind in Wales). Also engaged in research and in consultancy.

### **Steve Jones, Owner, Xcellence**

Steve has delivered Leadership, Management & Sales development programmes to different vertical markets and seen remarkable positive changes in behaviours and associated improved business results.

### **Patrick Leonard, Head of Programme Business and Management, Coleg Llandrillo Cymru**

At an inspection in 2005 by Estyn Coleg Llandrillo in Colwyn Bay achieved an unprecedented 7 Grade 1s for the 7 Key Questions. The FE college delivers both academic and vocational qualifications up to MSc level, and has strong links with local industry.

### **Martin Rhisiart, Deputy Director, Observatory of Innovation, Cardiff Business School**

Research, development, project management and evaluation in the fields of innovation and futures/ Foresight.

### **Kevin Stephens, Managing Director, Cerion**

Business Adviser

### **Katharine Whittall, National Manager Wales, Skillsmart Retail, The SSC for Retail**

Skillsmart Retail aims are to identify and address skills needs, raise the profile of UK retail to secure influence and funding and engage with retailers to attract people into a retail career.

### **Matt Wells, Founding Director of "Camre Cymru/Outlook Expeditions" and "Corporate Outlook"**

Providers of Overseas Expeditions, UK based adventure and personal development programmes for young people, adults and businesses throughout the UK.

## **B. PUBLIC FINANCE FOR MANAGEMENT AND LEADERSHIP DEVELOPEMENT**

### **Marilia Angove, Director, Velvet Projects Ltd.**

To establish and develop strategic partnerships at a Wales/UK/EU and global level with public, private and voluntary sector partners interested in Entrepreneurship and Employability issues.

### **Stuart Cook, Director, Strategic Marketing**

Stuart leads the market research and business strategy team in Strategic Marketing.

### **John Davies, Non Executive Director/Advisory Consultant, Learning in Management**

Specialises in supporting organisations in the role of NED or internal consultant in areas of strategy, performance management, risk and succession planning.

### **Richard Gaunt, Director, CRG Research Ltd**

Cardiff-based CRG is one of the UK's leading policy research and evaluation consultancies.

### **Pam Heneberry, Business Manager – Wales/Cymru, Institute of Leadership & Management**

Over 20 years experience of working within the field of management and training. Experience of working with private and public sector organisations.

### **Alan Horton, Managing Director, The Leadership Centre Ltd**

Research, design, delivery and coach of leadership development programmes for multi-nationals, SMEs, public sector and voluntary organisations across Europe, Africa and USA.

### **Diana James, Executive Director, Tourism Training Forum for Wales (TTFW)**

TTFW provides leadership, guidance and co-ordination for skill development for all stakeholders in the wider tourism industry in partnership with WAG, Wales Tourism Alliance and People 1st.

### **Ann Lewis, Education Consultant, Independent/Self Employed**

Provides research, consultancy, training and mentoring support to a wide range of private and public sector organisations in relation to education, training, leadership and management issues.

### **Jo Lord, Director of Structured Outlooks – Learning to Inspire Ltd**

Leadership Trainer and HR consultant, with a background in the inception and delivery of a wide range of learning, coaching and organisational development programmes in Wales and the UK.

### **Sue Mansell, Organisation Development Professional, Entelechy**

Self employed with a background in financial services, Sue has worked with the medical profession, the central policy authority and is currently working with Wales Millennium Centre.

### **Chris Meadows, Corporate Systems Manager, IQE plc.**

Responsible for a number of corporate functions across the IQE Group of companies, including Investor Relations, Marketing Communications, HR, Quality and IT.

### **Maria Miers, Chief Executive Officer, En-Quest Environmental (UK) Ltd**

Providing dynamic leading edge solutions for business, effectively empowering my team and maximising their potential is the role of the CEO in a successful SME.

### **Derwena Watkin, Director of Enterprise, Coleg Llandrillo Cymru**

Responsible for Work based learning, enterprise initiatives, business support and external funding across the College network.

## 2. EXECUTIVE SUMMARY

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The observations and recommendations in this report are based on the discussions at two Working Groups, convened by the Wales Management Council, that met over a four month period from November 2005 to February 2006.

The aim of the first Group was to

*Stimulate creative thought about what the world, and therefore Wales, may look like tomorrow, and use this to develop new thinking about how to help our managers and leaders develop their skills today so that they are better prepared to deal with whatever tomorrow may bring.*

And of the second was to

*Explore the nature, appropriacy, and impact of publicly funded support for management and leadership development in companies, particularly SMEs, in Wales; question the economic impact of such interventions, whether they should continue, and if so in what form.*

Though the approach and focus of each Group was entirely different, there was much common ground in the conclusions that they reached, which are brought together in this report under five headings, with sub-sections as shown:

- Future trends

Change; Globalisation; Work; Climate change and world poverty; Autonomy and individualism; Consumers; Society; Education and learning; Communication; Collaboration.

- Management skills

Management standards; Working in a global dimension; Customer focus; Flatter hierarchies; Team-working; Flexible working; Individual responsibility; Coaching; Working with ambiguity; Handling change; Managing relationships.

- Development routes

Overview; Language; University education; Work-based learning; Entrepreneurship and innovation; Structured support; Coaching and mentoring; Non-executive directors; Leadership; Talent recognition; Consultants; Who pays?

- Investment

Overview; Government policy; Growth companies; Entrepreneurship and innovation; Technical expertise v. management expertise; Finding help; Advisers; Low cost, high impact investment; Support with strings; Centres of excellence; Cumulative impact; Programme review; Holistic approach.

- Recommendations

Wales; Policy and Strategy; The tipping point; Practical help; Give something back; Links and connections; New initiatives.

The Appendices contain additional information to complement and extend the comments, observations and recommendations from the Groups:

- Future Trends – a summary from other sources

Extracts from *Britain in 2010* by Richard Scase (2000), the Council for Excellence in Management and Leadership's *Futures Project (2000)*, and *Working in the Twenty-First Century (2005)* by Michael Moynagh and Richard Worsley.

- Management Skills for the Future

A summary of the key observations from the Wales Management Council's report *Creating Future Good Management Practice*, published in 2002.

- National Occupational Standards for Management and Leadership

A summary of the revised standards approved and published in 2004.

- Bibliography

A short list of publications that were consulted during the writing of this report to complement, confirm or challenge our own discussions.

## 3. INTRODUCTION

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In the last five years the Wales Management Council has facilitated a series of Working Groups to consider, report, and make recommendations on key issues relating to management and leadership development in Wales.

The topics covered so far have been:

- Future good management practice 2002
- Management implications of e-commerce 2002
- Management and e-business 2003
- Management and innovation 2003
- Pressing the right buttons - marketing management and leadership development 2004
- Mentoring in Wales 2004

In 2005 we convened two working groups to consider

- Management in the future
- Public finance for management and leadership development

The starting point for the discussions of each group were as follows:

### **Management in the future**

In this Working Group we returned to the theme of our very first Working Group report *Future Good Management Practice* published in 2002 (see Appendix 2)

The aims of this group were:

To stimulate creative thought about what the world, and therefore Wales, may look like tomorrow, and use this to develop new thinking about how to help our managers and leaders develop their skills today so that they are better prepared to deal with whatever tomorrow may bring.

Questions to start the discussion were:

- What are the main factors that will significantly change the world of work (and therefore the world of management) over the next decade: technology, globalisation, competition from China and India, flatter structures, regulation, remote working/virtual offices, customer demand, decline of work ethic, global warming .....?
- How and to what extent will our current generic view of management and leadership skills need to be adapted, changed or rewritten to take account of this?
- What new skills will managers, particularly those in small businesses, have to learn to prepare themselves for these changes?
- How will managers be motivated to learn these skills if there is no apparent need for them today?
- Do we need to change our thinking completely to find more appropriate learning and development methods for these new skills?

- What recommendations would we wish to make to policy makers, funders, deliverers, and managers themselves in the light of the answers to these questions? What would we like to see happening now?

### **Public finance for management and leadership development**

The aims of this group were:

To explore the nature, appropriacy, and impact of publicly funded support for management and leadership development in companies, particularly SMEs, in Wales; question the economic impact of such interventions, whether they should continue, and if so in what form.

Questions to start the discussion were:

- Is public funding the solution or the problem? Has Wales become a country of grant addicts, where the offer of a fix overrides all other considerations?
- How do we break the dependency habit, so that organisations give the same priority to investment in management and leadership development as in other areas of their business?
- Has the public sector's need to have measurable outcomes from the use of public funds to support management training and development destroyed flexibility and creativity? If so, how can we change this?
- If we were personally responsible for a budget of £30 million to support "direct skills development with employers" how and where would we use it?
- Would Wales be better off without any public subsidies at all?

### **This report**

Our original intention was to publish separate reports on the discussions and recommendations of each group, but in the event we discovered that though the starting point for each group was very different, there was much common ground in the ensuing discussions, and great congruence in the final recommendations. We therefore decided that it was more practical and informative to publish just one report, bringing the thoughts and recommendations of both groups together.

We hope that this report will influence policy, stimulate thinking, and inspire action in the Welsh Assembly Government, key agencies, development practitioners, and practising managers, so that we take new steps to develop tomorrow's managers today.

## 4. FUTURE TRENDS

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What are the main factors that will significantly change the world of work (and therefore the world of management) over the next decade: technology, globalisation, competition from China and India, flatter structures, regulation, remote working/virtual offices, customer demand, decline of work ethic, global warming .....?

The “future trends” industry is alive and well, with “futuurologists” gazing into their personal crystal balls and predicting the inevitable degeneration of society as we know it, through civil disharmony, global warming, pandemic disease, rampant obesity, or road rage.

The subject is huge, the possibilities endless, the predictions alarming, and the solutions as complex and varied as the problems themselves.

The world is changing. This of course is a truism. But when change is happening all the time, do we really notice it? We tend to think that is how life is, without recognising that change is happening faster than we can think, faster than we can plan, and in ways that we have difficulty anticipating. So does this mean that we are always playing “catch up”, and are always “surprised” by the next technological breakthrough. Isn’t it a fact that in many ways we can never tell what the future holds, and so we need someone who can think broader, further, deeper, more creatively, more imaginatively than we can, to give us pointers to the future.

In our discussions we made no attempt to cover all the bases of what the future may hold, so what follows are informed opinions about the future from practising managers in Wales, based on their own experience and world view.

Here are some of the “pointers” that emerged in our discussions, and in Appendix I we have included three other viewpoints, from Richard Scase, *Britain in 2010*, the Council for Excellence in Management and Leadership, *Futures Project*, and Michael Moynagh and Richard Worsley, *Working in the Twenty-First Century*, as further reference points:

### Change

- Our own personal and corporate performance is probably not keeping up with the pace of change.
- Change is continuous, but we still have to maintain consistency in the content of what we do and context in which we operate to avoid disintegration.
- There is no single solution to all the future challenges that we are facing, as changes in energy use, economic development, spending patterns, health, longevity, education are all inter-related.

### Globalisation

- We may talk about globalisation, and expect the products that we buy to be sourced from the four corners of the globe, but as consumers our perception is local: is it on the shelf in Tesco, Asda, or Sainsbury when we want to buy it? Will selling to or buying from the Far East affect my take-home pay?
- Does this mean that there will be an ever-increasing mismatch between the global aspirations of companies, and the local needs of their employees?

## Work

- Predictions that offices as we know them will cease to exist, and we will become a nation of teleworkers are unlikely to come true. We certainly have the technology to make this possible, but the downside is the loss of human contact, and informal information exchange and interaction.
- However, technology certainly allows fewer and fewer people to produce more and more, and our productivity will therefore require us to capitalise on this, demanding higher skills from the few, rather than lower skills from the many.
- Technology enables us to do more and more, faster and faster, but the challenge for the future is to ensure that it also enables us to do things better and better.
- Charles Handy's prediction of portfolio lives, with each of us having a number of jobs or roles, may well become a reality.
- There is a real possibility that older workers seeking a number of part-time, paid and unpaid opportunities to use their skills, may be the driving force for change in attitudes to work in those much younger.

## Climate change and world poverty

- We will all need to decide where our corporate and personal responsibility lies in relation to global issues, balancing moral obligation with practical issues in work and private life.
- Energy use, green issues, recycling will all become of ever greater importance, with everyone being expected to make a contribution, however small, for the greater good.
- We will also need to decide whether or to what extent we in the developed world should use some of the money we make to help those less fortunate than ourselves in the underdeveloped part of the world.

## Autonomy and individualism

- We are moving towards a more individualistic society, with greater personal autonomy.
- There will be increasing moves away from employing people on a full or part-time basis to outsourcing or sub-contracting expertise in.
- The whole work ethic will change dramatically as people are personally responsible for driving their own work programmes, garnering their expertise, and making productive networking links.

## Consumers

- The internet gives consumers a new independence and power – they can interrogate and compare products from anywhere in the country, or the world.
- There will be an increasing trend towards looking or trying locally, but buying on line.
- The more information consumers have, the more demanding they will be, and the greater choice they will expect.

- Consumers enjoy buying through the internet, but they may also react negatively to the intrusion into their lives of advertising through the internet and mobile phones, as well as through the usual media?
- The sophistication of the advertisers will certainly keep pace, if not surpass, the sophistication (in buying terms) of the consumer.

### **Society**

- Our population is ageing. On the one hand this gives us a greater body of mature experience to call on, on the other it makes greater demands on our health and social care services.
- Work patterns are changing so that work until we are 65 or 70 will increasingly become the norm, often part-time in a variety of roles.
- The number of people living and working in the UK who were not born here will increase.
- New immigration rules are going to help skilled people enter the country. This will inevitably be a challenge for those of our own residents who lack skills and are having difficulty finding employment.
- All this may have a negative impact on our views of a multi-cultural and multi-ethnic society.
- The entrepreneurs opening shops and restaurants on our High Streets are more likely to be from ethnic minorities.
- “Yob culture” is endemic, and will produce an ever more hedonistic, intolerant, selfish society.
- Political extremism, religious fundamentalism, and the threats and realities of terrorism will increase the polarisation of attitudes, and reduce tolerance and understanding.

### **Education and learning**

- The Far East economies that within ten to fifteen years will rival the USA, have a passion for learning that puts UK and Europe to shame.
- We will need to raise our game faster and higher to match the hunger and energy of the emerging economies.
- Changing employment patterns and greater individual autonomy means that our skills must have a wider currency, even as a way of bartering for the skills that others have.
- It will take a generation for formal education, at all levels, to develop the skills and attitudes that are appropriate to the world of work.
- Management and leadership education in primary schools may seem a far fetched concept, but that is where it has to start.
- A “learning country” and “learning organisations” will be turned from rhetoric to meaningful statements of what is actually happening as people take greater responsibility for their own learning and personal development.

## Communication

- There is a very real risk that our ability to communicate technologically is at the expense of our ability to communicate verbally, as speed demands brevity or abbreviation.
- If we work remotely, and communicate electronically, we will need to learn again how to interact as humans as there is every sign that we are losing that skill.
- Our complacency about English as a world language and our own insularity in relation to language learning must change to respond to the challenge of a multi-lingual European market, the soon-to-be dominance of Spanish in USA, and the rise of China.

## Collaboration

- As global competition becomes ever more intense, there will need to be early recognition of opportunities for collaboration to gain critical mass, which will alter our view of local or UK-national competitiveness.
- Networking as a means of sharing knowledge, bartering skills, and forming strategic alliances will replace networking to find business opportunities.
- Common interests and local links will give a new meaning and importance to communities, defined as much by industry sector and supply chains as by geography.
- “Wales” as a brand will be a cohesive statement of national pride, industry, innovation, expertise, and a unique way of working together for the greater good.

These are just some of the critical issues highlighted in our discussions, and they echo the findings and concerns of others quoted in Appendix I, of which the following are extracts:

In 2000 the Council for Excellence in Management and Leadership made some important observations about leadership development in the 21st century

“... There has long been concern over the perceived gap between, on the one hand, the amount of attention devoted to leadership, the effort put into leadership research, the number of theories and models of leadership, and the resources devoted to leadership development, and on the other hand, the quality of leadership exercised and experienced in many UK businesses, organisations and institutions .... The present mix of advocacy, exhortation, exposure, incentives, information and development does not appear to be working well enough to bring about a step-change in improvement. Current approaches to development don't seem to have the right leverage with the right people ... 21st century leadership requires:

- adoption of modern corporate governance best practice
- composite strategies combining collaboration and competition
- sustainable development strategies for safeguarding shared, scarce natural resources
- devolving power down and out to the periphery of the business
- policy development in an increasingly complex social, political and legal environment
- new metrics (financial and non-financial) by which success may be assessed
- a different paradigm from command-and-control to manage 'knowledge workers'
- wide and skilful discourse with a large and diverse range of vested interests, perceptions, values, prejudices and abilities
- a sophisticated understanding of modern forms of organisation design and efficient operation from systems standpoint
- appreciation of transnational dimensions of business models ...

... Leadership development should concentrate on the 'how' in a specific context, after building upon a generic threshold of management 'what' ...

... Informal and personal forms of development are most suited to top-level leadership positions ...

... Effort is needed on development that

- improves the transfer of what we know about leadership theory through to implementation
- structures leaders' reflective learning from their experience of live organisation change
- seeks to combine learning and doing
- addresses personal development within the context of holistic system improvement
- acts upon collective leadership (top team) and not just individuals
- considers the learning need of current leaders as well as high-potential future leaders."

William V Tate, Prometheus Consulting  
*Emergent Business Models*

Council for Excellence in Management and Leadership, July 2000  
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And more recently Michael Moynagh and Richard Worsley in *Working in the Twenty-First Century*, published by the Economic and Social Research Council (ESRC):The Tomorrow Project in 2005 said:

- Organisations will turn on their heads as workers at the bottom lead innovation – but this development will come slowly. In time, managers at the top will no longer be the prime leaders of change: they will design sophisticated networks that link up individuals and enable others to take the lead. Being at the top will be about designing, managing, and repairing these networks. New methods of combining control with radical decentralisation will make this transformation possible.....
- Moving up the value chain will create new types of employment and transform how people work
- Tight labour markets will encourage employers to search for new sources of skill, develop policies to retain labour and listen to their workers carefully
- Changes in how people work will be more significant than how they are employed. Jobs for life are not about to disappear, for example, but we shall see more mobile forms of work.
- New forms of management will include innovative approaches to reward, to measuring performance and to encourage 'responsible' workers, who will use their greater autonomy to promote the organisation's goals.

Taken together, these developments will revolutionise work. But because most changes will be incremental and people will be more used to change, the revolution will feel like evolution."

## 5. MANAGEMENT SKILLS

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How and to what extent will our current generic view of management and leadership skills need to be adapted, changed or rewritten to take account of changes to the way we work in future?

What new skills will managers, particularly those in small businesses, have to learn to prepare themselves for these changes?

The new national occupational standards for management and leadership approved in 2004 state that

“The key purpose of management and leadership is to provide direction, gain commitment, facilitate change and achieve results through the efficient, creative and responsible deployment of people and other resources.”

The management standards (see Appendix 3) set out the key skills and behaviours that managers and leaders require under five headings:

- Managing self and personal skills
- Providing direction
- Facilitating change
- Working with people
- Using resources
- Achieving results.

Looking for the future this list is unlikely to change, though elements under each heading may.

Tomorrow's manager needs to have all the skills contained in the management standards, but will need to mould and adapt them to changing circumstances:

### **Working in a global dimension**

We are all, personally and corporately, now working in a global dimension. We can buy and sell anywhere in the world, with the internet as our starting point.

This touches every aspect of the manager's role, and every aspect of the business, and forces us all out of parochialism, and into a world of new opportunities, new competitiveness, and new challenge. The answers to the questions “Who are our customers?” and “Who are our competitors?” are now extremely complex, whether your business is large or small.

Even more demanding is the question of strategic direction in a world where the source, nature and impact of the next challenge is difficult to predict.

### **Customer focus**

Customers are better informed, and have greater flexibility in their buying.

Managers will need more innovative strategies to engage their customers' attention, and be able to plan, implement, control and evaluate different routes to market which may take them well out of their sales and marketing comfort zone.

## Flatter hierarchies

Traditional organisational pyramids will fast disappear. The simplicity of “I report to him, and he reports to her, and they report to me” will be replaced by more fluid “We work with them on this, and they work with us on that.” This will lead to greater emphasis on ....

## Team-working

The concept of the “team” has moved swiftly from being a shorthand for bonding and collaboration, to being a practical statement of how work is organised.

A sporting analogy is the obvious one, but as a famous Welsh rugby international said recently “In today’s game, who is the most important, the captain or the coach?”

This was not an observation about the current state of the Welsh game, but a challenge to the world of business, where the role of manager must now include the attributes of both “captain” and “coach” to help, not make, his or her team succeed.

## Flexible working

There used to be a catch-all phrase at the end of job descriptions that suggested that you were expected to do virtually anything else that your manager thought of at any time. And the word “flexible” was written in to the person specification to accommodate this.

Flexibility has now grown up and come of age. Businesses, organisations, managers, and employees have to embrace the concept of flexibility as a key ingredient of their success in a world of

- international markets, in different time zones
- emphasis on work-life balance, and family friendly policies
- immediate, round-the-clock availability via mobile phone, e-mail, or video all via the same device.
- work organised through self-managing teams and project groups
- work outsourced to contractors and free-lance individuals many miles away
- a need for everyone to have wide range of skills that can be deployed in a variety of different ways
- understanding and empathy with the cultural differences of a wide variety of markets,
- understanding and empathy with employees from different ethnic backgrounds.

## Individual responsibility

The world of command and control has almost gone, though we can all point to places where such behaviour still survives. Telling people to do things is no longer the way forward. Managers now have a role to encourage and motivate people to take greater personal responsibility for the way they do their work, the way they organise their lives, the way they behave towards each other, and the way they develop their skills ...

## Coaching

Teams need both a coach and a captain. To help people take on new responsibility for their role in and for the team, managers will need to become coaches at all times, and may often have to bring in “coaches” from other parts of the organisation or from outside, to develop the skills that the team needs. In the world of sport, coaching is the norm. For tomorrow’s manager, coaching will become the norm in business too.

## **Working with ambiguity**

Change means uncertainty. The faster or greater the change, the greater the uncertainty. 20/20 hindsight tells that in the past the summers were hotter, people were nicer, and our managers knew where they were going, because that was their job. How short-sighted such a view is, was, and will ever be.

Life unfortunately is never black and white, and we all have to learn to live with fairly unsatisfactory shades of grey. The role of the manager is to turn the grey into the colour of success. And today's colour may not be tomorrow's colour.

In one individual this requires a flexibility of mind, personal responsibility, considerable courage, and the ability to communicate all this uncertainty to employees so that they become involved in developing the solutions, and are not looking to their manager for them.

To be told what to do (so long as that is not dictatorial) is comfortable, because it requires no thought. To be asked what we should do in fluctuating circumstances is uncomfortable, but ultimately more rewarding because it involves every part of everyone.

## **Handling change**

Change is always with us, has always been with us, and will always be with us. But if you listen to the consultancy industry you would think that they had invented it, and only they have the solution to how change should be managed.

Employees frequently complain that nothing stands still, and that just as they have become used to one system, it is uprooted and replaced by another, and then another. And they plot their careers by the cycles of change they have been through.

Tomorrow's managers have to recognise that there is never one solution, because the problem is always changing. And he or she needs to help, coach, motivate staff to become part of the change cycle, however uncomfortable and ambiguous that feels, and not feel that change is an external imposition by the uncertain on to the helpless.

## **Managing relationships**

A complex, changing and ambiguous world, puts more demands on managers and leaders, and compels them to pay more attention than ever before to their relationship with the people they are managing and those that follow them.

Successful management and leadership does not come from being able to demonstrate key skills in isolation or in a vacuum, but with other people. And the emphasis for tomorrow's manager will always be on the word "with". So relationships matter, and managing them matters even more.

At a very fundamental level, we all want to be valued, respected and cared for.

The key question for every manager and leader, now and in the future, is "Do I value, respect and care for my employees, my customers, my stakeholders, and my peers as much as I would like to be if I was them?"

## 6. DEVELOPMENT ROUTES

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Do we need to change our thinking completely to find more appropriate learning and development methods for the new skills that the future requires?

The key question will be how will managers develop and improve the skills that we explored in the previous chapter to meet the varied challenges they are facing.

### Overview

There is a strong sense that in Wales we have lost the hunger for education that was a key characteristic of our industrial heyday, evidenced by the buildings that housed miner's institutes and libraries that still stand in many towns.

Why is it that we expect and require our doctors, lawyers, pilots, train drivers, gas fitters to be "properly" trained, but we do not have the same expectation of managers who have responsibility for the success of their business and the livelihood of their employees?

In Wales there is a strong sense that we no longer aspire to success or set our sights very high. Getting by is enough, getting better is not important.

The entrepreneurial spirit is alive and well, but most apparent in the black economy, which has given entrepreneurialism a bad name.

We have lost the skill of learning by doing, and therefore learning from mistakes.

We have stopped thinking about what really matters for the future under the pressure of sorting out what needs to be done today.

We are not good consumers of learning, because we do not set great store by it, and therefore do not apply the same criteria to buying training and development support as we do to buying equipment or hiring staff.

There is a tendency to think of training and development as something extra, something added on, something that you go away to do, rather than an essential, integrated part of business, that happens every single day, both formally and informally.

There are 175,000 businesses in Wales, and 98% of less than 20 employees, but they all have different needs, are at different stages of development, and have different sets of priorities. There is no single approach that will change the hearts and minds of them all.

There are therefore a wide variety of culture change mechanisms and development routes, that taken together, used where and when appropriate, will begin to change attitudes to management and leadership development in Wales.

### Language

The most important single factor is language. To engage with business we must use the language of business, not the language of government strategies for innovation, sustainability, and entrepreneurship, the Investors in People standard, and much of the National Occupational

Standards for Management and Leadership. These sound alien to business, and they therefore alienate those that they are designed to engage.

### **University education**

There is an argument (disputed by many within universities) that at the highest level the degree programmes run by university business schools are insufficiently grounded in the business world which is the destination of those studying.

People are recruited on the basis of attitude, and competencies, not on theoretical knowledge. Graduates who believe that a management post is their right are shocked to find that while they may have a Level 5 qualification, their ability to do anything is at Level 1 or Level 2.

We are chasing a target of a university education for 50% of our school-leavers, and unless there is a radical change in high level business education, we will put ever greater demands on businesses themselves to complete the education process to ensure that new graduates can quickly contribute to organisational objectives.

High level university qualifications leading to a major career in a large organisations still have their place, but this is still the province of only a few.

It is also important not to underestimate the importance for Wales of educating large numbers of students from China and India in its universities to form and foster vital relationships for the future.

### **Work-based learning**

80% of the people in work in 10 years time are in work today, so the real emphasis must be placed on developing the skills of those already working. It is here that the great difference between large and small company thinking becomes most apparent.

Whilst there is certainly a common set of management skills, the way they are developed will be poles apart: from the structured programme managed through an HR department based on annual appraisals and a sophisticated view of future need and current potential in large organisations, to an ad hoc, crisis driven, poorly funded, opportune but sceptical development path in smaller organisations.

In Wales, where the industrial profile is dominated by SMEs, it is the attitudes of the smaller companies to management and leadership development that matter most, which are well documented. Many SMEs are

- unexcited and apathetic about management and leadership development
- focused on today with little thought of tomorrow in a strategic sense
- time poor and few have a budget for training
- lacking in information about the development opportunities that are available
- sceptical about quality and doubtful about the real benefits.

For them formal training may have its place, but the more powerful alternative is

- an expanding network of managers who can learn from their peers, people who are facing the challenges and opportunities as they are
- the wide availability of skilled mentors to help every business manager develop the skills that he or she needs to achieve the growth and success that they want.

## Entrepreneurship and innovation

In Wales the government has laid great strategic emphasis on the importance of the development of an entrepreneurial culture and innovative companies through initiatives such as the Entrepreneurship Action Plan.

However, it is questionable whether entrepreneurship and innovation can be taught in any formal sense, but both can be encouraged, stimulated, mentored, and supported, on a national and individual basis. But do we do this in a meaningful way? We need to give serious consideration to a much wider range of development routes

- remove the stigma of entrepreneur = wide-boy, shark, or someone on the make
- celebrate success, so that learning is by emulation
- invest heavily in developing entrepreneurial business skills in schools
- build local entrepreneur networks
- create entrepreneurship “academies”, outside the conventional education system, in north and south Wales, where aspiring entrepreneurs can learn from successful entrepreneurs
- learn from the entrepreneurial spirit of the ethnic minorities.

## Structured support

Government policy is to focus on growth companies, through the Knowledge Bank for Business, and other such initiatives, and to support start-ups through enterprise agencies. Between these there is a colossal range of initiatives, programmes, and providers, whose impact is questionable, largely because they are unknown to, and therefore not used by, the people who need them most.

Research carried out by Cardiff Business School in 2005 identified that in Wales there are 1600 providers of management and leadership development, offering 17,000 programmes. We need a comprehensive information source, or intelligent guidance through this maze of opportunities.

But even more important than this, all provision needs to be structured to meet the needs to businesses and organisations at various stages of their development and growth. The ideal is a ladder of management and leadership development support, similar to that offered by Opportunity Wales for IT development.

But while structured programmes of courses and workshops have their place, they are little use in isolation, and more personalised support is the vital extra ingredient.

## Coaching and mentoring

The importance of coaching and mentoring is gaining currency in all sectors and in businesses of all sizes.

The distinction between the two is less important than the similarities. Both involve one-to-one support from someone with experience who helps another learn and develop on their own terms to meet their own needs and goals.

This is by definition client-driven, and therefore has the flexibility and focus that businesses complain is so often lacking in courses and workshops, often described, with some justification, as “sheep dips”.

There is ample evidence from across the UK and Europe that mentoring and coaching is one of the most successful of all development routes, but the difficulties of making this part of our learning culture are considerable. We need to find ways to

- persuade people of the value of coaching and mentoring
- demonstrate that investment in coaches and mentors produces results
- develop and train a cohort of mentors and coaches
- set up brokering arrangements to help people find coaches and mentors.

Cardiff Business School has produced a number of helpful recommendations on this for ELWa in 2006.

### **Non-executive directors**

The role of non-executive directors is frequently ignored or overlooked as a key way in which small businesses can develop, through the advice and guidance of someone outside the day-to-day running of the business, but personally involved in its success.

In Wales

- Arts and Business help to find private sector individuals who are interested in working as non-executive directors of arts businesses
- ACCA and others are working to set up similar arrangements from the private to the voluntary and not-for-profit sector
- Finance Wales is involved in financing arrangements with non-executive involvement,

but there is no source for finding directors who are interested in a non-executive role within SMEs. This is a gap that needs to be filled.

### **Leadership**

Bridging the gap between the problems of today and the challenges of tomorrow needs vision, and that is the key role of the leader of any business.

The universities in Wales are competing with each other to develop a variety of leadership programmes and degrees, but this is the answer for only a small minority.

We need a “leadership academy” for small businesses in Wales, that focuses less on the attributes of being a leader (as it is questionable whether those can be taught in any formal sense), but more on what leadership means in your industry, and how you put that into practise.

### **Talent recognition**

The skills needed to develop any business are very often already there in the workforce. The problem is that these skills are not recognised because we pigeon-hole people by their roles and their background, and then develop them to suit our needs rather than their talent.

Spotting latent talent requires innovation, open-mindedness, and a much deeper understanding of what people can offer, and what interests them most. Often employees are unwilling to be open about this, and managers are unwilling to explore what their staff might do, rather than what they can do.

This requires trust on both sides, and a creative will to explore new ways of doing things, invite comments and suggestions, learn what people do in their spare time, find out simply what makes them tick. These are all development routes that are central to success.

### **Consultants**

The consultancy industry is huge, and the money spent by large organisations, both public and private, on consultancy services enormous. But for small business market there are negatives on both sides

- For many small business owners or managers this is an alien world that they know little about, and cannot afford, even if they knew how to access it
- For many consultants the small business market is more trouble than it is worth: difficult to access, hard to promote to, and with low spending power producing minimal returns.

There is an opportunity to explore new ways to provide consultancy services to the small business market via

- Collaboration between consultants to share marketing costs, and provide a range of short term support with shared overheads
- Business schools to offer e-consulting services on a “pay as you go” basis
- Large organisations to act as consultants and mentors to small businesses in their supply chain.

### **Who pays?**

All this leads on to a serious consideration of the extent to which public money should or can be used to support the widest possible range of development opportunities in businesses of all sizes.

Is public funding a help or a hindrance, a motivator or a disincentive, a pump primer or a continuous river of support, evidence of a proactive government strategy or a solution looking for a problem?

And if public funding is not the answer, how can we persuade more businesses to invest more of their money in developing the management and leadership skills that are so critical for their long-term success?

The next chapter addresses some of these issues.

## 7. INVESTMENT

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Is public funding the solution or the problem? Has Wales become a country of grant addicts, where the offer of a fix overrides all other considerations?

How do we break the dependency habit, so that organisations give the same priority to investment in management and leadership development as in other areas of their business?

Has the public sector's need to have measurable outcomes from the use of public funds to support management training and development destroyed flexibility and creativity? If so, how can we change this?

Would Wales be better off without any public subsidies at all?

### Overview

There is a very strong argument that if we invested more in developing the skills of our managers and leaders both businesses and the economy of Wales would grow.

What is not so clear, however, is whether that investment should be public, using tax-payers money, or private, using the businesses' own resources.

The challenge is to know

- where to spend public money to get the best return nationally, against a broad economic and social development agenda
- how to persuade small businesses to invest their own money in an area which they do not consider to be of great importance.

Public support for management and leadership development tends to be short term, heavily structured, over regulated, with specific, externally defined outcomes. It is available widely, but not many have the will or the time to go through the bureaucratic hoops to take advantage of it.

Much public support is designed as “pump priming” but its continuation belies this.

There is argument that those who can afford it should pay for this development themselves, and public money should be used exclusively to support disadvantaged groups and geographical areas.

Market forces will determine who takes advantage of what is on offer, which may be less than 10% of all the businesses in Wales. This may seem insignificant against the wider economic development agenda, but may be realistic in terms of impact and ensuring that money goes to those who can make the best use of it.

If we allow public investment to be determined by market force, it does not mean that we can ignore the other 90%.

Some businesses of course will have no interest in growth, or personal development, and we need to respect this. Their fate is in their hands.

However, there are huge opportunities, with minimal government intervention, to help businesses

- learn from each other,
- emulate best practice examples
- change the way they work for the better

because it makes sense to them, not because some external body tells them to.

### **Government policy**

Government policy in relation to public investment in management and leadership development is ambivalent.

The rhetoric that managers and leaders are key drivers for economic development is strong. But the policy statements in the consultation version of *Wales: A Vibrant Economy* are weak on this, with only one paragraph devoted to management and leadership.

We also face a continuing disconnection between business development and skill development in the enlarged Welsh Assembly Government, following the mergers of WDA and ELWa. There needs to be much greater effort to break down the barriers between these two departmental silos.

### **Growth companies**

There is an argument that public investment in sectors and companies that are growing and are destined to grow further is a prudent use of public resource based on the principle of “more bangs for your buck”.

However, it begs the question of whether growth companies really need this kind of public support. Has not their track record to date indicated that if they have achieved their current success without public support, they are well able to continue doing so.

The contra argument is that public funding can help high potential, successful Welsh companies go on to become successful UK, European and or even global companies, thereby putting Wales on the map and acting as role models for others.

There is also a strong argument that public funding should be directed at those who would and could grow with extra help, but are not doing so for lack of resource.

### **Entrepreneurship and innovation**

Successful entrepreneurs are lauded when they succeed, and find the doors of opportunity opening ever wider for them, with ever increasing offers of publicly funded support.

But they wryly observe that these offers were not obvious when they were starting up and struggling.

The fundamental problem is that as a nation we are risk-averse in business, and we are risk-averse in the support that we give to business.

## Technical expertise v. management expertise

We tend to support and celebrate technical expertise over, and at the expense of, management expertise. The claim that we aspire to be a “small but clever country” does not connect in most people’s minds to the cleverness of our managers, but it should.

The difficulty is that we see technology as a challenge and an opportunity, but we are complacent about the management skills that are required to make use of it. This mismatch could be fatal.

## Finding help

We need to aspire to be a country where businesses can always find the help they need when they need it. This is certainly not the case at present.

Internet searches for financial help to develop management skills produce an enormous amount of generalised information that is difficult to explore quickly, but very little that is focused on this particular need.

There is clear evidence that we are not viewing the public provision of information through the eyes of the customer.

## Advisers

In Wales our strategy is to set great store by a huge cohort of publicly funded advisers focusing on business development and people development issues. Latterly these have been separate development routes, but we are now seeing, at long last, some integration of the two, but the advisory network is still very fragmented.

However, there is insufficient hard evidence of the real impact of this advisory network, and much anecdotal evidence of considerable dissatisfaction. There are issues of quality, knowledge, experience, engagement, and the ability to signpost effectively to other sources of help.

For the future we need to explore a different approach based on three concepts:

- the life-long adviser, similar to bank managers of old, who is available to your business when you want him or her, and from long association understands where you are going
- a “business advice bureau”, similar in concept to the Citizens Advice Bureau, where small businesses can obtain personalised advice as and when they need it
- the advisor as coach and mentor, helping business managers to find their own solutions and develop the skills necessary to meet tomorrow’s challenges.

## Low cost, high impact investment

Publicly funded development programmes tend to be measured in millions, and their size is a proxy for the government’s commitment to a particular area. This is not necessarily helpful, as the smaller initiatives tend to be either absorbed or ignored, and the public accounting of large programmes measures activity not impact, and thereby destroys creativity.

Why do we not turn this on its head and look at smaller initiatives that will gain the immediate attention of small business, and give them support that they can use immediately with minimum bureaucracy or interference?

The DTI in England has successfully developed a programme where they offer £1,000 on a matchfunding basis to small businesses who want to invest in management skills development in whatever way they, not the government, sees fit. This is a model that we could well copy in Wales.

### **Support with strings**

Efforts are already being made to ensure that those who receive public subsidies and grants for business development have the necessary skills to use the money wisely to buy the support that they need. There is an opportunity to take this even further internally and externally:

- every publicly funded business development support programme must have an explicit connection to management and leadership development
- every business that receives public money in this way must engage with other businesses in the network or supply chain to explain how it has benefited them.

This will integrate the support more effectively into the fabric of the business, and ensure that the benefits of the support are promoted more widely, thus increasing take-up.

### **Centres of excellence**

In Wales we lack “centres of excellence” that would provide a focus on management and leadership development that might engage the attention of a wider business public.

There are eleven university business schools or business departments who could be playing a major role in this, but are constrained either by resource, strategic priorities, or a reluctance to collaborate.

This can mean that those looking for higher level development will go to Ashridge or Cranfield or Henley, or outside the UK altogether.

The investment strategy is therefore to support both sides of the market to make it more competitive:

- find ways to encourage Welsh business schools to collaborate to do more in Wales to help Welsh businesses
- support businesses in Wales who want to invest in management development to source this from wherever they think is best, inside or outside the UK.

### **Cumulative impact**

Our public sector investment mind-set focuses on time-bound programmes with clear targets in relation to numbers of clients, and range of activity.

There is a tendency to think that “targets met = job done”, but business does not work like that. Support given today is merely the precursor of support needed tomorrow, and the next day, and the next, as business changes and grows. We therefore need to focus on

- ways in which programmes connect with each other
- support for business over longer timescales
- ripple and cascade impact of support through networks and supply chains
- impact tomorrow, rather than the delivery today.

### **Programme review**

Business needs change faster than the programmes that are designed to support them, and there is an argument that publicly funded programmes are always playing “catch up” offering yesterday’s solutions to today’s needs, with limited chance of success.

If public funds are to be used to support management and leadership development in Wales, we need to be more draconian in our continuous review of what is working and what is not, radically excising the latter, and developing the former.

Public investment needs to be more forward and outward looking. If tomorrow’s challenges are going to come from India and China, and expertise lies in the USA, we should be funding visits to all three to enhance the knowledge and expertise of businesses in Wales.

### **Holistic approach**

Management development in Wales is piecemeal in planning, delivery, and take-up both on the demand side.

- Small businesses do not recognise the importance of including management development in their budgets or their planning
- Public sector bodies develop a wide range of separate initiatives that compound the ad hoc attitudes of business.

For the future development of managers and leaders in Wales we need to adopt a holistic approach that brings together all of the following

- full integration of business development and skills development in government policy and strategic delivery
- a hands on approach to business support and advice, that is pragmatic, focused on individual business needs, and available continuously
- a broad view that recognises that regulations to ensure that public money is spent wisely frequently dampen enthusiasm, destroy creativity, and reduce effectiveness.
- promote the importance of investment in management training and development as the essential ingredient of future success.

## 8. RECOMMENDATIONS

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The previous sections of this report contain a number of recommendations relating to changes of strategy, attitude, culture, investment, funding, and delivery.

We hope that policy makers, funders, deliverers, and managers themselves will take note of these.

In broad summary and conclusion this is what would we like to see happening now:

### Wales

We have too many negatives in our view of ourselves. We need to change these to positives:

- There is great pride in being Welsh - our culture, history, language – but this tends to be inward-looking, and for the future must become outward-looking.
- We see our past in terms of declining industries, rather than recognising that in their day those industries led the world, and that is what we aspire to now.
- We need to tap into the spirit of everything that makes Wales great, recognising and challenging the negative stereotypes.
- We have great difficulty in celebrating success – why is this such a problem?
- We promote entrepreneurialism but we don't trust entrepreneurs. Maintain the ideal, but change the language.
- We ostracise those who have broken away from their roots to find new success. We must embrace those who are role models for tomorrow's Wales.
- We equate profit with greed, rather recognising and accepting this profitability as the essential ingredient of business growth.
- We are too accepting of mediocrity. We must talk ourselves up, not do ourselves down.

### Policy and strategy

- The future is always with us, and like devolution it is a process, not an event. We must therefore be prepared to take the long view
- We must have the courage of our convictions to take decisions now that may not come to fruition for a decade, across at least two government terms, and well beyond the working lives of many who are responsible for the decisions today.
- We need to take greater risks in our policy making, business strategy, and our forward planning. Not risks of failure, but risks in that we can see where we want to go, but we cannot forecast with any confidence the obstacles we may meet on the way.
- We must have greater confidence in creating the future as we want it to be, rather than for ever dealing with the problems and legacies of the past.

### **The tipping point**

The managers of small businesses do not invest in management training and development because they see no point or value in it. It is only when businesses come up against a problem that they act, but that is often too late.

The key is to find the “tipping point” that will help businesses focus on development as something that they cannot afford not to do.

We must persuade businesses that the risk lies in not investing in management skills, not the opposite.

The only way the public sector can do this effectively is to speak to business in its own language, and avoid any suggestion that government has all the answers.

### **Practical help**

Among the people whose discussions contributed to this report are a number of like-minded individuals who are willing to give up their time and expertise to help others, both businesses and communities, develop their skills, change their environment and make Wales a better place to live and work.

We need to build on this indigenous philanthropy to capture and develop the support people in Wales are willing to offer to make Wales better.

The numbers may be small, the initiatives local, and the timescale long, but the example set will be of critical importance, and success will lead to success.

Let us move from the negative “it won’t work” or “it didn’t work last time, so why bother now” to “we believe in it, so let’s do it.”

### **Give something back**

The culture of public funding and support is a one-way street. Let us change this by working on the premise that all businesses who receive public support should give something back, by helping to develop the skills of other organisations in their supply chain, or in the wider community, whether social or sectoral, of which they are part.

### **Links and connections**

There is an urgent need to foster stronger connections between politicians, government officials, education and business, not to promote programmes per se, but to explore creative solutions to the problems businesses, particularly small businesses, are facing.

We have an opportunity to explore many of the ideas contained in this report through constructive discussion and collaborative development, and avoid isolated planning and disinterested imposition.

## New initiatives

Initiatives to be explored include, in alphabetic, not priority, order

- “business advice bureau”
- brokerage scheme for non-executive directors for small business
- centres of excellence to promote management and leadership development
- collaboration between consultants to provide services to small businesses
- comprehensive information on what is available
- co-ordinate and link programmes and initiatives
- e-consultancy
- engage with those who are willing to help change Wales for the better
- entrepreneurship academies, based on practical experience
- help businesses to help each other
- holistic approach on both the supply and the demand side
- integration of business development and skills development
- investment in a number of small initiatives with cumulative impact
- leadership academies , based on practice experience
- life-long advisers, coaches and mentors
- networks throughout Wales through which businesses can learn from each other
- programmes that engage because they are engaged with business need
- radical review of current programmes in relation to impact, with a cull of those that are not fit for purpose
- support businesses that would like to grow but can't, rather than those that are already growing.

These are some of the starting points for the development today of the managers and leaders Wales needs for tomorrow.

# APPENDIX I

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## Future Trends : a summary from other sources

Here is a selection of comments and observations from a number of recent studies:

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“Britain in 2010 is likely to be characterised by

### **Individuality**

Traditional family forms will no longer be the “foundation” society. More of the population will live alone in single person households. This trend will affect lifestyles and work patterns. It will also have consequences for health and welfare systems, housing and retailing.

### **Choice**

With declining family obligations, individuals will exercise greater choices in terms of where and how they live and work. This will lead to a greater diversity of personal lifestyles. Traditional marketing categories based on income and age differences will no longer be relevant.

### **Mobility**

Individuals will be more mobile in all spheres of life including work and employment, personal relations and residence. Future lifestyles will be based upon mobility rather than stability.

### **Identity**

Personal identities will be more “fluid” as a result of increased mobility and the more transient and temporary nature of work, leisure and personal relations.

### **Independence**

Individuals, freed from traditional obligations and enjoying greater mobility, will value their personal independence. This will lead to more self-centred, self-indulgent and hedonistic psychologies.

### **Anxiety and risk**

Individuals, in a more unstructured and rootless society, will feel more insecure. They will experience greater uncertainties and see society as high risk and often threatening. Others will find this more exciting and challenging.

### **Creativity**

A focus upon self-interest and individuality will encourage personal creativity. This will generate a more innovative society.

### **Globalisation**

This will lead to an international division of labour with greater global segregation – the under-developed and the developed economies; the Islamic and Christian societies; Russia, Central Europe and Euroland – but also to the “specialisation” of national economies. In the world of the future, the challenge for Britain is to become a leading-edge, information economy.

### **Information and communication technologies (ICTs)**

These will bring about the decline of traditional forms of organisation, ranging from large business corporations to government and the public sector. A key challenge will be to develop new social, economic and government institutions that can fully realise the capabilities of ICTs.

### **Bio-technologies**

These have the potential to transform century-old patterns of reproduction and health as well as of psychological and physical health. The challenge will be to address the moral and ethical values associated with these.

### **Socio-economic inequalities**

Britain is likely to be characterised by persisting social and economic inequalities with polarisations in cultural, educational and material living standards. These could constrain national creativity and the emergence of Britain as a knowledge economy.”

Richard Scase  
*Britain in 2010 – A new business landscape*  
Capstone Publishing  
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“... There is wide agreement on the main drivers for change. Most talked about is technology: internet-based developments and the life sciences. Also fundamental are globalisation forces – especially environmental and economic – in part driven by technological developments and reflected in multinationals. ‘Post modern’ attitudes and values are a further key ingredient, these include reduced deference, less faith in institutions, and a belief in individual value systems rather than ideologies. Demographic changes such as an ageing population and better-educated people complete the essential elements in the picture ....

... The pace of change is accelerating. Managing is getting more complex as business becomes increasingly part of a ‘connected world’. Traditional boundaries are getting blurred. What is a bank or supermarket? Who are one’s competitors? What should one sell or give away? What is a product or service? The foundations of our mindsets are being eroded, most obviously by the rapid expansion in information and processing power. The convergence of computing and telecommunications along with broadcasting heralds a major discontinuity in the evolution of commerce and society ....

... We shall see fewer fixed boundaries in business and between public, private and voluntary sectors, so our tidy feeling of what belongs where will evaporate. The professions and the world of intermediaries will be particularly affected. Expert systems and IT will increasingly take over the provision of diagnosis, advice and information. GPs, travel agents, estate agents, financial advisers, solicitors, stock brokers will all need to adapt ...

... Releasing creativity will matter more than gaining compliance. Diversity will be sought to expand the organisation’s ability to respond to the unforeseen, rather than as a sign of representational fairness ...

... Individuals will be less easy to categorise as they seek greater individuality. People’s conversations will become more international and inter-cultural, personally determined and deeper. Options in the marketplace will increase, making personal decisions more confusing and producing consumer resentment. New ‘agents’ will fill the gap to help us ...

... Leading large organisations will become more difficult and burdensome. Leadership’s inherent attraction will decline. Idealism as a basis for decision-making will recede in the face of greater pragmatism, excessive data, increased transparency, and the power of well-informed and vocal critics. The custodians of ideals and values will increasingly be located outside companies.”

William V Tate, Prometheus Consulting  
*Futures Project - Implications of futures studies for business, organisation, management and leadership*  
Council for Excellence in Management and Leadership, July 2000  
Reproduced with permission

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“Working in the 21st century will be more complex and varied. No simple picture will emerge. It would be rash to predict the future with confidence, but the following are suggestions as to what may be in store over the next 20 years.

- New products, new processes and new technologies will transform work, as Britain moves up the value chain into activities that earn more revenue. Video-conferencing, virtual reality, powerful new search engines and other technologies will encourage smart forms of work. Jobs will become more complex, teams will multiply, and individuals and teams will be given more responsibility.
- Jobs will grow in the ‘aesthetic’ economy which has been the second fastest generator of jobs in London after business services. As low-cost manufacturers flood the market from abroad, companies will income now through making, but through designing and marketing. Profits will lie in products that make a fashion statement and appeal to the senses. Entertainment and consumption will merge.
- Money will increasingly be made at the customer interface. The proliferation of mentors, personal trainers, lifestyle advisers, style consultants and concierge services herald new forms of personalised customer support, which will create many jobs. As their tasks are automated, for example, supermarket check-out staff may become shopping advisers.
- The ‘jobs gap’ will be a new priority. Over the next 20 years, ‘hour-glass’ Britain will see jobs at the top pulling away from ‘Mcjobs’ at the bottom. Fewer jobs will exist in the middle. Getting a job will not be enough to escape poverty: finding ‘good’ work will be vital. Today’s strategy of reducing poverty through helping the unemployed into work may be eclipsed by a new emphasis: narrowing the divide between good and bad jobs.
- The demand for ‘social capital’ skills will grow as employees pool knowledge, work collaboratively and relate closely to customers. Skills like ‘listening carefully to colleagues’ are becoming central to work. Companies will thrive on good company, forcing schools to pay more attention to interpersonal skills. Emotional literacy may one day be part of the curriculum.
- Many workers will find themselves in a sellers’ market. Employers will be strapped for skills, and fewer young people will be entering the workforce. Organisations will look for older people, migrant workers, and people who have left employment to meet their needs, but none of these sources of labour will be sufficient on their own, and even together they may be inadequate. Employers will tackle workplace stress with new urgency to cut absenteeism, prevent sickness and keep key workers healthy.
- Barriers to gender equality at work will fall, more women will work full-time and the number of women earning more than their partners will grow slowly. More women as the main breadwinner could eventually bring changes to society every bit as radical as the initial influx of women to work.
- Self-employment is unlikely to accelerate. The challenge will be to encourage more entrepreneurship within organisations.
- The end of ‘jobs for life’ is a myth. The average time people spend in a job has actually increased. Almost 95% of men work in a permanent job. The proportion of workers seeing themselves as having a career jumped from just under half in 1985 to over 60% in 2001. Long-term, full-time jobs will be far more typical than portfolio working and temporary employment. Employers who invest in knowledge workers will want to hang on to their staff.
- There will be dramatic changes in how people work. Today over five million people, almost a fifth of employees, spend more time working from home or on the move. Mobile workers, who work in a hotel, an airport lounge, or a motorway service station, will be one of the fastest growing groups of employees. New techniques to manage these workers will transform how employees are supervised.

- Organisations will turn on their heads as workers at the bottom lead innovation – but this development will come slowly. In time, managers at the top will no longer be the prime leaders of change: they will design sophisticated networks that link up individuals and enable others to take the lead. Being at the top will be about designing, managing, and repairing these networks. New methods of combining control with radical decentralisation will make this transformation possible.
- Outsourcing to British-based suppliers will be limited, though offshoring will expand steadily. Some activities will be outsourced, but others will be brought back in-house so that managers can keep control. Employers will be more discerning in what they outsource and what they don't.
- League tables and target-setting will be revolutionised. Measuring the capacity to learn and improve will replace crude measurements of output.
- Some organisations will align incentive pay more closely to elements that are vital for performance. Others will move away from incentive pay altogether. Pay packages will include help with paying off the mortgage, new savings schemes and the choice between longer holidays and higher pay.
- Trade unions are unlikely to make a strong come-back. New forms of employee involvement will spread, often driven by changes in employment law, and workers will become more litigious.
- Workers will be entitled to more holidays and to work fewer hours each week. But more people will ignore these entitlements and bring work home in the evening and take their laptops on holiday. To overcome skill shortages, government will prioritise better childcare to free up mothers to work full-time.
- Flexible labour markets, traditionally understood, will become less important to employers than 'intelligent flexibility' – smart methods of working that require individuals to be more adaptable. This flexibility will be dictated more by the needs of the employers than workers.

... Four themes tie many of the changes together

- Moving up the value chain will create new types of employment and transform how people work
- Tight labour markets will encourage employers to search for new sources of skill, develop policies to retain labour and listen to their workers carefully
- Changes in how people work will be more significant than how they are employed. Jobs for life are not about to disappear, for example, but we shall see more mobile forms of work.
- New forms of management will include innovative approaches to reward, to measuring performance and to encourage 'responsible' workers, who will use their greater autonomy to promote the organisation's goals.

Taken together, these developments will revolutionise work. But because most changes will be incremental and people will be more used to change, the revolution will feel like evolution."

Michael Moynagh and Richard Worsley  
*Working in the Twenty-First Century*  
 Economic and Social Research Council (ESRC): The Tomorrow Project, 2005  
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# APPENDIX 2

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## Management Skills for the Future

This is a summary of the main observations in the Wales Management Council's report, *Creating Future Good Management Practice*, published in 2002.

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### 1. Technology Skills

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 organisations 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.

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

- develop their people management skills to deal with the additional requirements of managing distant relationships with staff, suppliers, customers and partners, and the implications, opportunities and threats of a 365/24/7 approach to working patterns
- carry out their responsibilities for financial and physical management in a far more effective manner
- manage information internally between staff and externally to and from customers, ensuring productive use, and avoiding information overload.

### 2. Leadership Skills

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

### 3. Entrepreneurship

It is 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.

### 4. Use of time

Technology enables more information to be available quicker; enables global communication on a 24/7 basis. This can lead to stress problems amongst managers, so time management and developing the ability to say 'no' become 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 working hours and as a team of managers considering strategic issues for the organisation.

### 5. Other skills

Other skills that require greater emphasis in 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, team working, continuous improvement and continuously develop their own skills.
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## APPENDIX 3

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### National Occupational Standards for Management and Leadership

The new occupational standards for management and leadership, approved in May 2004, describe the level of performance expected in employment for a range of management and leadership functions or activities.

The new standards are the third edition to be produced and were developed by the Managements Standards Centre between 2002 – 2004 following extensive consultation with individuals, employers and other key stakeholders.

The standards are designed to act as a benchmark of best practice. They represent a major progression from the 1997 standards (the second edition) as the number of units has been reduced from 77 to 47. This reflects that fact that many managers felt that the 1997 suite was too unwieldy for practical use and contained large areas of duplication.

The other major development is that the standards now include behaviours that underpin effective performance. This is in recognition of feedback from employers that the soft skills which managers bring to their role are as important as the hard technical skills they possess.

The standards contain a matrix to show how each unit applies to each of four levels of management: team leader, first line manager, middle manager, and senior manager.

Unlike previous versions of the standards it is intended that this suite will be subject to incremental change using feedback collected from new and existing users.

The standards are intended to be benchmarks of best practice.

They coherently bring together the outcomes, behaviours and knowledge required to deliver identified management functions into a tool that can be used by individual managers and their employers to

- describe the key activities of a manager
- describe the skills they need
- evaluate the skills they already have
- identify the skills they will need
- support continuing professional development
- evaluate the skills already in the workforce
- identify skill gaps
- plan training and recruitment
- prepare job descriptions
- prepare recruitment advertisements
- support appraisals
- aid selection and recruitment
- aid employee retention.

The main unit headings are listed below.

Full details of the standards can be downloaded free of charge from [www.management-standards.org](http://www.management-standards.org). A CD-ROM is also available, via the website, for £5.

**The key purpose of management and leadership is to provide direction, gain commitment, facilitate change and achieve results through the efficient, creative and responsible deployment of people and other resources.**

**A. Managing self and personal skills**

1. Manage your own resources
2. Manage your own resources and professional development
3. Develop your personal networks

**B. Providing direction**

1. Develop and implement operational plans for your area of responsibility
2. Map the environment in which your organisation operates
3. Develop a strategic business plan for your organisation
4. Put the strategic business plan into action
5. Provide leadership for your team
6. Provide leadership in your area of responsibility
7. Provide leadership for your organisation
8. Ensure compliance with legal, regulatory, ethical and social requirements
9. Develop the culture of your organisation
10. Manage risk
11. Promote equal opportunity and diversity in your area of responsibility
12. Promote equal opportunity and diversity in your organisation.

**C. Facilitating change**

1. Encourage innovation in your team
2. Encourage innovation in your area of responsibility
3. Encourage innovation in your organisation
4. Lead change
5. Plan change
6. Implement change

**D. Working with people**

1. Develop productive relationships with colleagues
2. Develop productive relationships with colleagues and stakeholders
3. Recruit, select and keep colleagues
4. Plan the workforce
5. Allocate and check work in your team
6. Allocate and monitor the progress and quality of work in your area of responsibility
7. Provide learning opportunities for colleagues

**E. Using resources**

1. Manage a budget
2. Manage finance in your area of responsibility
3. Obtain additional finance for your organisation
4. Promote the use of technology within your organisation
5. Ensure your own action reduces risks to health and safety
6. Ensure health and safety requirements are met in your area of responsibility
7. Ensure an effective organisational approach to health and safety

**F. Achieving results**

1. Manage a project
2. Manage a programme of complementary projects
3. Manage business processes
4. Develop and review a framework for marketing
5. Resolve customer service problems
6. Monitor and solve customer service problems
7. Support customer service improvements
8. Work with others to improve customer service
9. Build your organisation's understanding of its markets and customers
10. Develop a customer-focused organisation
11. Manage the achievement of customer satisfaction
12. Improve organisational performance

## APPENDIX 4

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*All these publications are available on our website: [www.walesmanagementcouncil.org.uk](http://www.walesmanagementcouncil.org.uk)*

*A limited numbers of printed copies of the most recent publications are available on request.*



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