Leading and managing in recession: same or different skills?

LSIS
LEARNING
AND SKILLS
IMPROVEMENT
SERVICE

"Grow the ecosystem even when you are not growing"

Chesbrough and Garman, 2009: 74

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Executive summary

Introduction

In January 2010, LSIS set out to investigate future leadership and management and skills needs during recession and any implications for its learning and development provision. The research was conducted by the Institute for Employment Studies in partnership with the Learning and Skills Network and The Work Foundation. The research examined:

- Long- term trends in skills needs for leadership and management through a literature review, including comparisons between the public and private sectors.

- Skills required for leadership and management during periods of difficult financial circumstances in national, public sector, and individual provider contexts.

- Implications of changing customer needs for LSIS provision, drawing on revisions being undertaken by other providers of management and leadership development, primarily in the public sector.

How did we do this research?	
Strand 1:	Review of literature on effective leadership in public and private sectors with a focus on tough economic contexts.
Strand 2:	Telephone interviews with 14 sector leaders/stakeholders.
Strand 3:	In-depth case studies with two providers.
Strand 4:	Telephone interviews with management.
Strand 5:	Review of current LSIS provision for management and leadership development.
Strand 6:	Review of comparable organisations' provision for management.

What are the learning and skills sector's major skills needs?

The research shows the major skills needs identified as being important are:

- **Strategic thinking and planning** – involving the adoption of a values-based mindset with a commitment to a transformative and distributive leadership model, where appropriate.

- **Partnership working** with other learning providers, including those which may be competitors, and especially local authorities – involving negotiation and influencing skills.

- **Change management** skills including both effective project management and **staff engagement** skills covering empathy, persuasion and resilience to 'take the organisation with you'.

- **Performance management** to support talent management of teams and individuals as well as manage poor performance, relying on communication and motivation skills.

- General **commercial awareness** and **entrepreneurial skills** to ensure organisational viability in a time of reduced funding – this involves the ability to spot opportunities to develop new provision or deliver existing learning and innovation differently, using skills in creativity and innovation.

- **Financial management** skills – involving using different sources of funding creatively to deliver provision using a mixture of co- investment from individual learners and employers as well as managing budgets and resources effectively at all organisational levels.

- **Procurement/commissioning** skills requiring skills in negotiation, understanding of how to get the best value out of contracts through legal knowledge and how to use partnerships effectively for commissioning.

- **Fostering equality and diversity** of achievement for learners and staff – requiring tenacity to remain committed to the agenda in the face of possibly contradictory pressures.

- **Personal effectiveness** and self-awareness – including the ability to recognise the impact of behaviour on others, modifying it where needed and working under pressure.

Do skills needs vary between different groups of staff and different parts of the learning and skills sector?

- The need for financial management skills was found across all levels of seniority of staff.

- Entrepreneurial and commercial skills, as well as an understanding of the changing learning and skills policy context, were the most commonly identified skills needs amongst middle and junior managers.

- Smaller providers were most likely to need to develop skills in partnership working, including contract management and negotiation skills.

- Colleges may have greater skills needs in handling performance management issues than other parts of the sector.

What does the literature tell us?

Leadership is not only about skills, it is also role and context-specific.

Models of leadership can be located along a spectrum from top-down 'command and control' approaches to more distributed and devolved styles. While command and control or 'transactional' forms of leadership may be necessary for addressing a particular short-term issue, they are unlikely to be sustainable in the long term. Transformational models, although they may take longer to embed, are likely to provide greater sustainability through collective buy-in.

Leadership is a holistic and inter-related activity and may essentially depend on how skills are used in combination.

Which skills become more important during a tough financial climate?

Many leadership and management skills needs are not new, because good leadership and management looks similar in most economic circumstances. **But there is a difference in emphasis both within types of skills and across types of skills.** The diagram below shows how specific skills needs may heighten during recession, according to four major domains of skill: strategic thinking, personal effectiveness, working with others and delivering performance.

Strategic thinking

Outward-facing

Commercial / entrepreneurial

Managing risk / governance

Customer focus and customer diversity

Innovative / creative

Managing service quality

Resilience

Managing resources

Delivering performance

Leading and implementing change

Personal effectiveness

Self-awareness
Self-development

Re-organisation

Curriculum design and delivery

Impact and influence on others

Managing conflict

Managing individual and team performance

Communication

Motivating others

Developing others

Working with partners

Working with others

Increase in importance during recession

Well-researched dimensions of effective leadership

Change is not a new dimension of leadership, but is greater at a time of reduced resources

During the challenging circumstances brought about by a recession, it may be necessary for leaders and managers to adopt a style of leadership that blends elements from different models, including both short- and longer-term techniques and strategies.

Managing a range of complex and ambiguous relationships using skills of influence, negotiation and persuasion rather than direct authority will be important for all managers and leaders.

What does this mean for learning and development provision?

Recession brings with it practical pressures in the form of time and resource shortages that affect how managers and leaders learn. This means that they are likely to seek more action learning, 'bite-sized' learning on key topics, facilitation of internships and secondments to other providers, shared problem-solving approaches, and more mixed modes of delivery within a longer course. LSIS is pursuing peer learning opportunities through its 'resource utilisation' funding programme for providers to bid for grants to support the sharing of effective practice.

Bespoke provision is highly valued by learners during critical transitions because of its customisation to learner needs, making it cost-effective overall although requiring relatively high levels of investment.

Time pressures mean that senior staff have limited time to navigate through learning options, so simplifying ranges of provision is helpful.

There is an appetite for development of modularised provision where units can be taken individually or combined into a longer programme.

What are the conclusions and recommendations of this research for LSIS and the wider learning and skills sector?

As a result of this research, the report produced recommends that LSIS:

- **Communicates the findings and implications of the research to LSIS staff** involved in the planning and delivery of provision and **more broadly across the sector**. This could help to raise awareness of the skills required during a recession to lead and manage in the learning and skills sector, and so it may contribute to the development of in-house provision for FE organisations.

- **Recognises that creativity and innovation are important for successful leadership and management in the learning and skills sector during a recession**. These skills should be part of other training programmes such as financial management and procurement.

- **Recognises that maintaining equality and diversity of leadership and management are particularly important during a recession to ensure that organisations do not revert to traditional models of leadership**. This creates risks for the development of a diverse talent pool for the long-term and so equality and diversity must remain a priority for organisations. Recruiting and retaining a wide range of staff, including managers, can help to bring new ideas and different approaches to the sector to aid the recovery, while diverse methods of management and leadership will support the development of the sector through the recession.

- **Uses the research findings to audit LSIS leadership and management development provision**. This will help to ensure that the skills needs being met correspond with those identified by sector leaders and stakeholders.

- **Considers the management and leadership skills identified as requiring development as part of curriculum design criteria** and develops the content of bespoke provision with organisations in the learning and skills sector, as well as using the organisations to inform major programmes.

- **Explores the possibility of using secondees as trainers within the sector**. This is currently used effectively by the National Police Improvement Agency (NPIA) to ensure that trainers are up-to-date with practice. It may be a way of supporting those in middle or senior management who cannot progress because they feel they need to stay in post during a recession rather than move on.

- **Supports the FE sector to play a full role within the Total Place initiative** as a development tool to sector leaders and managers and to ensure that FE is effectively represented within Total Place.

- **Maintains support for technology** that assists with leadership and management within the learning and skills sector during recession, following the example of the NHS Institute.

Full report

1.   Introduction and background to the project

1.1   Introduction

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies (IES), in partnership with the Learning and Skills Network (LSN) and the Work Foundation, to assess the management and leadership skills needed to cope with the effects of financial pressure across the learning and skills sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the sector who are facing challenging times ahead.

This report presents findings from across all strands of research that were carried out as part of the project. It is informed by a literature review and supported by primary research with stakeholders, managers in providers, LSIS provision staff, and other learning providers that are broadly comparable to LSIS in terms of management and leadership development offered to the public and private sectors.

This research investigates the nature of leadership and management skills that will be needed in a range of difficult financial circumstances. By utilising a series of investigative methods, we address critical questions about the extent to which the skills needed to lead and manage, in the wider further education (FE) sector, are the same during a recession as at other times. The report examines leadership in challenging economic contexts, whether caused by: a general recession affecting all economic sectors; public spending cuts affecting the learning and skills sector; or financial difficulties at individual provider level.

Consultations with sector leaders, stakeholders and comparator bodies are used for the exploration of future requirements. The research specifically focuses on whether there is demand for deeper or broader knowledge, skill sets, competencies and personal abilities to enable the learning and skills sector to respond effectively to the downturn and to secure its long-term future. The consultations are also used to inform analysis of how current LSIS provision might need to adapt to address changing skills needs.

1.2   Background

1.2.1   Challenges for the sector

The learning and skills sector faces a period of transition, with several emerging issues to address. In particular, the recession creates several new and diverse challenges for the leadership and management of further education organisations and for their curriculum. The recession has brought about several negative impacts for the learning and skills sector, including reductions in government funding through efficiency savings. Businesses often cut training budgets during downturns, which can also have a significant impact upon further education (FE) providers, particularly specialist colleges and National Skills Academies who receive substantial revenue from employers. In addition, leaders and managers in the sector face a range of other structural, financial and political changes, including: changes in funding and commissioning arrangements arising from the dissolution of the Learning and Skills Council (LSC) and the creation of the Young People's Learning Agency (YPLA) and Skills Funding Agency (SFA) from April 2010; 14–19 reforms; raising the compulsory age of participation in learning; a new government; and, for some providers, a legacy of debt from aborted capital projects.

The financial crisis can be seen as both a threat and an opportunity for the FE sector – a situation that can create financial instability, but also one that can potentially provide FE providers with a leading role in responding to the economic downturn (LSIS, 2009). Training occupies a central role in the government's plans to tackle the financial crisis, therefore the recession presents the sector with a number of opportunities to expand provision, and subsequently support and facilitate skills development for the upturn (for example, see Bewick, 2009).

1.2.2   Challenges arising for management and leadership – local context

Against the backdrop of the increased demand and imminent public spending cuts, significant challenges exist in navigating through these tough economic conditions, which may still present opportunities for learning providers. This means that the role of leaders and managers is paramount. This may have implications for the particular skills needed to be most effective in leadership and management.

In addition, all political parties are advocating greater localism in service provision, and initiatives such as 'Total Place' are likely to become part of the mainstream policy agenda, regardless of the shifting political landscape, (Schofield et al., 2009). According to a paper compiled by LSIS (2009), the economic crisis can help in raising the profile of the FE sector in local communities – as a provider of training to workers, the unemployed, and those at risk of unemployment. The potential exists for FE providers to join forces with local authorities to address key local workforce issues, which will require specific skills related to partnership working and negotiation amongst leaders and managers. Research in the school sector (presented at DCSF Conference, 9 February 2010) has highlighted the need for some managers to take on additional responsibilities so as to release others to spend more time developing, managing and sustaining partnership arrangements.

The White Paper *Success for All* (DfES, 2002) set out a vision to transform post-compulsory education in the UK. A key theme was 'developing the leaders, teachers, trainers and support staff of the future', reflecting a belief that leadership is one of the key elements in achieving the national vision.

In order to respond to the challenges and opportunities provided by the current economic climate, it is vital that leaders and managers within the learning and skills sector possess and develop the necessary skills and experience to steer organisations through these turbulent, yet potentially productive, times.

LSIS has a central role in providing management and leadership training; and a subsequent concern about changes in management and leadership skills needs. This research examines the changing demand on managers and leaders, the emerging skills that are necessary to respond to this, and how training provision needs to change to support these developments. A key purpose of this research is to enable LSIS to consider, whether, in the current economic climate, they are serving their clients well, or whether current provision equips leaders and managers for more benign times.

2.   Research aims and methods

2.1   Aims and objectives

The overall aim of this project is to discover whether different leadership and management qualities and skills are required in a range of difficult economic circumstances, when compared to less difficult economic circumstances, and to consider the implications for delivering leadership learning and CPD, with a particular focus on implications for the LSIS provision.

The objectives of the study, therefore, are to:

- Explore the skills needed to be an effective public sector leader during difficult economic circumstances.

- Assess the similarity and differences of these skills, when compared with those required in less difficult economic circumstances.

- Determine whether any different skills needs for leadership in a recession necessitate different kinds of leadership learning and CPD.

- Suggest possible adaptations to the leadership and management curriculum delivered by LSIS.

The issues addressed in this research allow the development of an in-depth understanding of the extent to which the leadership and management skills vary according to economic and financial circumstances, and the associated professional development provision.

2.2   Methods used

To meet the aims and objectives of the research, a multi-stranded methodology incorporating primary and secondary information analysis has been used, including the strands of work detailed below. Research strands were run concurrently, with LSN, IES and the Work Foundation sharing activities within each strand.

The research design allows the team to assess the skills needed to be a public sector leader during difficult economic times, with the use of interviews with sector leaders, comparator bodies, and key stakeholders. All strands, including review activities, allow for reflection on the comparisons between the management and leadership skills needed in times of recession, and the skills needed in times of positive economic circumstances.

- Strand 1: Literature review.

- Strand 2: Telephone interviews.

- Strand 3: Case studies with two providers.

- Strand 4: Telephone interviews with 'comparator bodies'.

- Strand 5: Review of current LSIS provision for management and leadership development.

- Strand 6: Review of other organisations' provision for management and leadership development.

Strand 1: Literature Review

The purpose of this strand was to establish a baseline in terms of what is already known about leadership in a recession, through an analysis of the literature currently available. The literature review also forms the basis of a framework of skills required for leadership and management in a recession, and feeds into the analysis of current LSIS provision in Strand 5.

Strand 2: Telephone interviews

This includes interviews with seven representatives from relevant stakeholder organisations[1], and seven principals and chief executives of exemplary providers (sector leaders).

This strand was designed to capture a greater range of senior managers and external stakeholder perspectives. The focus was on their previous experiences of leadership and management during a period of economic difficulty, and so as to compare with the recent and current experiences. The telephone interviews with national stakeholders ran in parallel with case study visits to providers, providing a deeper understanding of the skills required for leadership and management in a recession and other difficult financial circumstances, and

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1   One interview was conducted face-to-face at the request of the interviewee.

testing the views about leadership and management skills identified through the literature review. They explored stakeholder views of managers at all levels in relation to the provision from LSIS, and considered whether the provision to support leadership and management sufficiently addresses the skills required during difficult financial circumstances.

Interviewees were selected in conjunction with LSIS, and the task of contacting interviewees and conducting interviews was shared by the various organisations in the research team. The interviews lasted between 30 and 50 minutes. All interviews were tape recorded and interviewer notes were produced and shared to guide analysis.

Strand 3: Case studies with two providers

The research team conducted comprehensive case study visits in two providers. These case studies comprised visits to providers, with a mixture of interviews and focus groups with management staff at all levels within each college.

The visits addressed the following issues:

- Skills required for leadership and management in general.

- Skills required for leadership and management during periods of economic growth.

- Skills required for leadership and management during periods of difficult financial circumstances in national, public sector, and individual provider contexts.

- Previous experiences of managing in a recession and other difficult economic circumstances.

- Views of LSIS provision in relation to the skills and previous experiences of managing in a recession/difficult economic circumstances.

Strand 4: Telephone interviews with 'comparator bodies'

The research team spoke to two improvement bodies from other sectors within the public realm, which are comparable to LSIS. Both bodies provide management and leadership development programmes to their respective sectors.

The purpose of this strand was to identify and provide a detailed description and analysis of a public sector body responsible for improvement and leadership development, which has adapted its provision in the area of leadership and management to address any skills implications of the difficult economic climate.

The candidate bodies were identified with LSIS and each research team carried out the following investigative activities for one comparator body. Activities included desk-based reviews of the current framework of provision of each body, with a thorough assessment of each relevant website.

Strand 5: Review of current LSIS provision for management and leadership development

One concern of this research is to establish whether the skill content, including high-level cognitive and interpersonal skills, of development initiatives delivered by LSIS has already adapted to the new context and if so, to identify the nature of the adaptation and what stimulated it. This strand addresses this question by considering current LSIS provision and what it means to those within the sector.

The strand included interviews with LSIS staff who are involved in bespoke provision and programme provision. A desk-based review of Management and Leadership provision was also conducted. Other strands fed into this process; the telephone interviews and case studies were designed to include elements where interviewees were asked to reflect on current LSIS provision. The literature review also feeds into this strand by forming the basis of a framework of skills required for leadership and management in a recession.

Strand 6: Review of other organisations' provision for management and leadership development

In order to provide a broader context into how providers of management and leadership are adapting to changes in consumer demand due to recession, the team conducted four telephone interviews with experts in management and leadership working in institutes or business schools which provide management and leadership development to both private and public sector organisations. These interviewees combine extensive research experience in the management and leadership field with a current and practical understanding of what employers are purchasing and the training needs of individual managers. They worked for: Roffey Park Management Institute, Lancaster University Management School, Ashridge Business School, Tavistock Institute of Human Relations and Henley Business School.

2.3   Structure of this report

Following this introductory chapter, Chapter 3 provides a selective overview of messages from the literature about the nature of management and leadership, and arising skills needs. Chapter 4 presents findings and analysis for the primary research from Strands 2 and 3, covering the views obtained during the telephone interviews with sector leaders and stakeholders, and the case studies with providers. Chapter 5 examines the relevance and impact of LSIS provision with specific reference to telephone interviews with LSIS staff, LSIS literature about provision and the interviews with comparator bodies. Chapter 6 covers the conclusions derived from the overall research, and the subsequent recommendations.

3.   Current debates on management and leadership skills

Key findings

Models of leadership range from top-down 'command and control' approaches to more distributed and devolved styles. Although command and control forms of leadership can help address quickly a particular short-term issue, transformational models are likely to provide greater sustainability through collective buy-in and ownership.

During the current challenging economic climate, it may be necessary for leaders and managers to combine elements from different leadership models, including both short- and longer-term techniques and strategies.

The leadership models do not put forward an explicit list of skills. There is, therefore, a need to enhance our understanding through primary research of how different skills manifest themselves within each of the models.

Although typologies of leadership and management skills and the associated lists of separate competencies can provide useful information, they run the risk of fragmenting both the leadership task and the skills of the leader themselves. Yet, in practice, leadership is a holistic and inter-related activity and may essentially depend on how skills are used in combination. Leadership is not only about skills, it is also role and context-specific.

Although valuable lessons emerge from the leadership models used in the private sector, it is also important to consider that learning providers operate in a different context. There is a need to consider how best to balance priorities of cost-effective teaching and learning over profit maximisation.

There is a risk that the pressures of the recession may make some providers neglect equality and diversity issues; however, studies have shown a new set of 'feminine values' may be more appropriate for transformational and distributed forms of leadership.

3.1   Introduction

This chapter outlines what previous research tells us about changes in the nature of what is understood to be effective management and leadership, the skills, knowledge and behaviours required, how these vary between the public and private sectors, and the extent to which difficult financial circumstances might change the nature of skills, knowledge and behaviours that managers and leaders need. Using the literature reviewed, the chapter also sets out a framework of management and leadership skills that is used to analyse priority skill needs and implications for provision in subsequent sections of this report.

Within the context of the current challenges facing the lifelong learning sector, as outlined in Chapter 1, there is a need to understand whether leadership requirements in a recession are actually that different from good leadership in other contexts. Some authors, for example, read a 'crisis of leadership' in both public and private sectors not as something caused by the recession, but as its cause (Salaman, forthcoming 2010; Vermeulen, 2009). In this reading, the need for a change in leadership skills is one which pre-dates the arrival of the recession, although clearly the difficult economic landscape has thrown that need into sharp relief (Hutton, 2009).

This line of argument moves the role and skills of leadership above and beyond the most-recent period of crisis, suggesting that much larger changes to organisations, such as the move to a more 'commercial' mindset and delivery model for public services, were already happening in good times and, if anything, are simply accelerated by the arrival of tough times (Pablo et al., 2007). This leads to a potentially paradoxical finding – that the arrival of the recession is hugely important in terms of the skills and strategies outlined by this chapter, but that in terms of what needs to be done by leadership, bigger changes in philosophies and long-term industry trends create a shift of emphasis, with the recession as only one of a number of drivers of change, rather than an over-riding one (Rowe and Bysshe, 2010: 10). Indeed, in the public sector, longitudinal research indicates that even major budgetary 'shocks' such as a deep recession have surprisingly little effect on frontline provision (Meier and O'Toole, 2009: 485).

Given that both public and private sector organisations operate in challenging and changing circumstances most of the time (Sandier, 2009), the downturn is simply another change which may accentuate certain aspects of leadership and management skills, knowledge and behaviours, albeit more acutely and for a potentially longer period than the current management and leadership cohort may be accustomed to. The purpose of the primary research is to investigate the extent to which this is the case.

3.2   Defining management and leadership

"Leadership and management are two distinctive and complementary systems of action... Management is about coping with complexity... Leadership, by contrast, is about coping with change."

(Kotter, 2001)

The terms 'leadership' and 'management' are sometimes used interchangeably and with a degree of confusion, because while not all managers are senior leaders, many managers are required to demonstrate elements of leadership in their job. While acknowledging a shared focus on effective staff performance, most sources note differences. Leadership often links with shaping others' goals, broader values and sense of purpose, especially in relation to change (Cuban, 1988; Bush, 2008) and mobilising staff effort by engaging, inspiring and supporting individual and team performance. In contrast, management is shown as a maintenance activity, concerned with technical implementation of policies and procedures and with operational issues. These include budgeting, finance, planning, developing relationships with customers (i.e. learners in the learning and skills sector) and dealing

with HR issues (Bell and Bush, 2002). Notably, research attaches equal value to both roles. Management and leadership work has long been argued to be characterised by increasing complexity and contradictions, with enormous variations in the tasks, roles and contexts (Hirsh nd Bevan, 1988; Knights, 1992). In the following section, we trace how what is understood to be good leadership and management practice has evolved to the state of current thinking.

3.3   The importance of management and leadership for organisational performance

The decisions and actions managers take are undoubtedly vital to the nature of working practices in place, the organisational structure and strategies, the degree of innovation and research and development, the organisation and management of the workforce and the mix of skills demanded, and therefore the overall success of the business. Studies have shown that firms with a more qualified management workforce and a dedicated programme of management development; pursue more sophisticated and higher-quality market strategies and achieve greater profits (Bosworth, 1999; Woods, 1992). Studies into management practices covering the attraction, retention, reward promotion and management of performance have shown positive links with organisational performance. When information on management practice was matched with firms' financial accounts in organisations from four countries, research has shown that measures of good managerial practice were strongly associated with a range of performance measures (productivity, profitability, sales growth and survival rates) (Bloom et al., 2007). When undertaken in three different continents on a large scale, improving management practice was associated with large increases in productivity and output.

Similar effects have been identified for the impact of individual (senior) managers. Bertrand and Schoar (2003) explore the impact of managers on firms using a matched manager firm data set, tracking managers across US firms and observing performance over a 30-year period up to 1999. Their research suggests that managers make a difference to firm performance by an increased rate of return on assets of up to three per cent for managers in the top quartile of performance. Other research attempting to measure the size of the impact CEOs can have on company performance suggests that, in some circumstances (where opportunities are scarce or the leader has slack resources), the leader accounts for up to 40 per cent of the difference in organisational performance (Wasserman, Nohria and Anand (2001)).

Such performance is achieved only through mobilising staff, and here the evidence is convincing that management and leadership skills matter. Studies have emphasised the important role played by managers in achieving productivity and performance improvements in implementing sophisticated people management practices, often called 'best practice' human resource management (HRM) or 'high performance work systems'. These practices typically involve consultation with staff about organisational decisions, managing individual performance, supporting employee development, allocating rewards and enabling high performance in teams. Rucci et al. (1998) analysed data from 800 stores in the Sears retail group in the US. Employee attitudes towards the job and towards the employer both emerged as key factors associated with customer attitudes and in turn with business results.

Barber et al. (1999) conducted a similar study with nearly 100 stores of a major UK retailer covering over 20,000 employees and customers, which showed that employee satisfaction and employee commitment were related to sales increases. Other more indirect links to sales were found through improved staff attendance and increased customer loyalty based on customer service. Similar studies have found important links between employee involvement and the probability of organisational innovation (Michie and Sheehan, 1999). The implications of these findings are especially important for the learning and skills sector because of the high levels of skill that each employee possesses, the fact that tutors have some degree of autonomy in the level of effort they put into their work, and the high level of direct contact that tutors have with customers in a service sector role.

3.4   Approaches to management and leadership

In recent years, a number of models of leadership have been proposed as offering blueprints for the skills, qualities and behaviours which leaders should adopt to achieve superior performance. Three examples pertinent to this research include:

- command and control or transactional leadership

- transformational leadership

- collective or distributed leadership.

3.4.1   Command-and-control or transactional leadership

The origins of management as an organising principle are thought to be located in industrialisation, where management practice in factories centred on efficiency in operating production lines. Popularised by Taylor's (1911) scientific management approach, the focus of management activity was on breaking jobs down into tasks and finding the best way to perform them. The principles of management as a production-centred task were articulated by Fayol (1916) who divided a manager's job into five elements: planning, organising, commanding, co-ordinating activities and controlling performance. In both Taylor and Fayol, we can see the origins of 'command and control' management and leadership approaches.

The command-and-control or transactional model (Wright, 1996) of leadership assumes that work is done only because it is rewarded, or if not done penalised, and therefore focuses on designing tasks, reward structures and penalties. Le Grand (2010), writing more recently about command and control in the delivery of public services, suggests that this form of management can take various forms, but all versions of it have fundamental similarities, including:

"A hierarchy of control, with direction from the top, coupled with external rewards or penalties for those complying or failing to comply with the central directives ... staff cannot be trusted to do their job properly without outside intervention; they have to be provided with external incentives to do it."

(Le Grand 2010: 60)

Command and control can take on a variety of forms. A version that has been widely implemented by the British government in recent years is what might be termed 'targets and performance management' (Le Grand, 2007). This process sets targets of various kinds, usually numerical, for public sector organisations such as schools or hospitals to achieve, and then offers rewards or penalties to the staff of those organisations for achieving or failing to achieve the target. The rewards could be greater autonomy for the organisation and/ or financial bonuses or the promotion of staff. The penalties could involve greater outside intervention in the running of the organisation and demotion or dismissal for the staff.

While the transactional or command-and-control models of leadership may not be the most appealing leadership strategies in terms of building relationships and developing a long-term motivating work environment, they can be used in organisations to achieve daily or focused tasks.

3.4.2   Transformational leadership

Transformational leadership is usually contrasted with transactional or command-and-control leadership. Built on the principles of humanistic psychology, transformational leadership is intended to alter the motives, values and goals of followers (i.e. staff), whereas transactional leadership focuses on the exchange of employee skill and effort for tangible and intangible rewards. Crudely put, transformational leadership seeks to harness employee effort by appealing to beliefs and emotion about the collective purpose of the organisation, whereas transactional leadership focuses on rational and individualistic bases for motivating others. Bass (1985) defined transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader. There is limited evidence about followers' viewpoints, but what exists suggests that followers desire a transformational type leader. For example, Horne and Stedman Jones (2001) found the majority of the respondents (77 per cent), as well as interviewees in their study strongly endorsed a 'relational' model of leadership in which the primary task of leaders is to shape compelling organisational goals and unlock the potential of others to achieve them. Nevertheless, many respondents recognised that strong, directive leadership, as identified in an 'individual' model, was necessary in some circumstances. This raises the question of what those circumstances are, and whether financial pressures constitute one of them.

The transformational model places heavy emphasis on leaders' possessing charismatic qualities in being able to inspire staff about the bigger picture of an organisation's vision, values and direction but does not specify the means by which such staff engagement is achieved. Methods such as individual coaching and mentoring of staff to develop and meet new challenges may be as effective as mass 'rallying of the troops'. The model does rely, however, on leaders being able to articulate and convince staff of the principles on which their judgement is based, and some commentators argue that it requires moral considerations in terms of how the leader makes and implements decisions (Bass, 1985). In the context of the learning and skills sector, it also involves intellectual stimulation to create a culture of self-evaluation and improvement in which people can achieve their own personal and professional goals. It therefore involves an element of empowerment.

There is mixed evidence that transformational leadership yields better organisational and individual outcomes than other forms. Storey (2010) explores the narratives of 'transformational' and 'charismatic' leadership, dominant in the 1990s, and their links with the perceived challenges of change and uncertainty. He argues that although these leadership ideas have become very pervasive, it is not necessarily proven that the behaviours associated with transformational leaders and their active embracing of change, necessarily lead to effective performance. Gronn (1995) also points to a lack of evidence in practice that the 'transformational' leader is any more effective than the alternative styles of leadership. However, it may be context-specific. Research within the FE sector provides strong evidence to support the efficacy of transformational leadership where it exists, but argues that this leadership style tends to be in its infancy in many providers (Govindji and Linley, 2008).

3.4.3 Devolved, collective leadership or distributed leadership

Recent thinking about leadership has shifted towards more collective approaches. As Reynolds and Trehan have suggested:

"Leadership is located within a group of people rather than embodied in a single member of it."

(Reynolds and Trehan, 2008: 3).

A relevant key theme within recent work on educational leadership has been 'distributed leadership' (for example, Harris, 2008). Distributed leadership draws on an intellectual heritage of distributed cognition (Hutchins, 1995) and activity theory (Spillane, 2006) to focus on how 'leadership practices [are] distributed over leaders, followers and their situation and incorporates the activities of multiple groups of individuals' (Spillane et al., 2001: 20). Key elements of distributed leadership within educational theory are the involvement of others (than the 'figurehead' leader) in decision-making, the allocation of important tasks to teachers, and rotating leadership responsibilities within the school – elements which link distributed leadership to other concepts such as devolved, collective and democratic leadership.

Distributed leadership looks to understand how the actual practices of leadership are undertaken between 'leaders' and others, and the process of building appropriate connections and relationships between the 'leaders and the led' (Collinson and Collinson, 2007). An important element of the approach is that it *is a form of leadership not restricted by organisational or structural constraint"* (Spillane et al., 2006). Distributed leadership in education therefore examines the leadership and governance practices of networks or partnerships of institutions which surround schools, including different configurations of formal and informal arrangements between schools, and partnerships across schools and local authorities (Chapman et al., 2009; National College, 2009). The role of the 'leader' is therefore one in which a conscious and deliberate decision is taken to distribute leadership responsibility to others, and to put in place governance systems and incentives to ensure this happens (Harris, 2008).

A perceived strength of distributed leadership is that it moves away from a potentially damaging 'charismatic' conceptualisation of leadership, in which power is seen as concentrated in one individual (Storey, 2010), and indeed there is now considerable empirical evidence to support the efficacy of distributed leadership in an educational context when it operates both internally and externally to its immediate network (Martin et al., 2009): *"School leadership has a greater influence on schools and students when it is widely distributed"* (Leithwood et al., 2006; see also Spillane, 2008). The distributed approach also dovetails with predominate leadership development approaches in the sector, which utilise more participative, experience-oriented and practitioner-led approaches like mentoring, placements, coaching, reflection, action learning, and portfolio construction (Earley and Weindling, 2004; James, et al., 2007).

However, distributed leadership is not a panacea, and should be seen as one of a possible range of flexible educational leadership models in practice (PwC, 2007: p xii). It also presents a range of barriers to its successful implementation, which Harris (2008) categorises as those of distance (leading multiple physical sites), of culture *("New leadership arrangements that are seen as liberating by some staff can be seen to increase constraints and pressures felt by others"* (Chapman et al., 2009: 2)) and of structure (are governance processes in place to allow quick decision-making within distributed leadership?). The changing requirements for competence, style and identity of individual leaders under distributed leadership also present an additional challenge to selecting, developing and appointing appropriate leaders (Johnson, 2009).

The devolved type of leadership discussed above focuses on giving decision-making responsibilities to staff. The term 'empowerment' dominated these kinds of attempts to re-define leadership in the 1990s. In the context of leaner, downsized and devolved organisational forms, helping staff to be more self-sufficient in undertaking their work without detailed instructions from bosses was held up as a key objective for leaders and managers. The empowerment philosophy came under a number of criticisms. First, empowerment without support can leave employees floundering and empowerment without resources or authority produces the cliché of staff being empowered to take decisions as long as they check with the boss. In practice, empowerment is sometimes found to generate external commitment through forced contractual compliance because employees have no choice but to take on responsibilities, rather than internal commitment where employees willingly take on responsibility from personal motivation and interest (Argyris, 1988).

These varied models of leadership are all characterised by different philosophies and emphasise different elements of the leadership role. The models reflect a shift in emphasis over the years from influence through compliance to one that is more clearly based upon mutual benefit and respect for individuals in a more egalitarian relationship. There is no definitive list of skills associated with each of the different models, and there is limited consistent and comparable evidence on the relative efficacy of each model in practice. This raises the question of what the evidence can tell us about the impact of management and leadership and whether it is possible to highlight from it any particular skills that managers and leaders require.

3.5   Does management and leadership matter? Impact on organisational performance

Classifying management and leadership approaches is primarily of interest if any of the approaches can be shown to be more effective than others. The decisions and actions managers take are undoubtedly vital to the nature of working practices in place, the organisational structure and strategies, the degree of innovation and research and development, the organisation and management of the workforce and the mix of skills demanded, and hence, the overall success of the business. Studies have shown that firms with a more qualified management workforce and a dedicated programme of management development; pursue more sophisticated and higher-quality market strategies and achieve greater profits (Bosworth, 1999; Woods, 1992). Studies into management practices covering the attraction, retention, reward promotion and management of performance have shown positive links with organisational performance. When information on management practice was matched with firms' financial accounts in organisations from four countries, research has shown that measures of good managerial practice were strongly associated with a range of performance measures (productivity, profitability, sales growth and survival rates) (Bloom et al., 2007). When undertaken in three different continents on a large scale, improving management practice was associated with large increases in productivity and output.

Similar effects have been identified for the impact of individual (senior) managers. Bertrand and Schoar (2003) explore the impact of managers on firms using a matched manager firm data set, tracking managers across US firms and observing performance over a 30-year period up to 1999. Their research suggests that managers make a difference to firm performance by an increased rate of return on assets of up to 3 per cent for managers in the top quartile of performance. Other research attempting to measure the size of the impact CEOs can have on company performance suggests that, in some circumstances (where opportunities are scarce or the leader has resources not fully utilised), the leader accounts for up to 40 per cent of the difference in organisational performance (Wasserman, Nohria and Anand, 2001).

Such performance is only achieved through mobilising staff, and here the evidence is convincing that management and leadership skills matter. Studies have emphasised the important role played by managers in achieving productivity and performance improvements in implementing sophisticated people management practices, often called 'best practice' HRM or 'high-performance work systems'. These practices typically involve consultation with staff about organisational decisions, managing individual performance, supporting employee development, allocating rewards and enabling high performance in teams. Rucci et al. (1998) analysed data from 800 stores in the Sears retail group in the US. Employee attitudes towards the job and attitudes towards the employer both emerged as key factors associated with customer attitudes and in turn with business results. Barber et al. (1999) conducted a similar study with nearly 100 stores of a major UK retailer covering over 20,000 employees and customers, which showed that employee satisfaction and employee commitment were related to sales increases. Other more indirect links to sales were found through improved staff attendance and increased customer loyalty based on customer service. Similar studies have found important links between employee involvement and the probability of organisational innovation (Michie and Sheehan, 1999). The implications of these findings are especially

important for the learning and skills sector because of the high levels of skill that each employee possesses, the fact that tutors have some degree of autonomy in the level of effort they put into their work, and the high level of direct contact they have with customers in a service sector role.

In much of this literature, the quality of line management as perceived by staff emerged as an important link in this value chain via its impact on employee commitment. Most recently, Purcell et al. (2003) and Purcell and Hutchinson (2007) show strong association between employee attitudes, employee views on the quality of HR management applied to them, and performance. There appear to be particularly important roles for managers in enabling individual *involvement*, achieving individual *commitment* and developing a positive organisational *climate*. Line managers may be important in shaping employee perceptions about why HR practices are implemented. The management rationales to which employees attribute the implementation of HR practices are argued to affect how these practices are interpreted and how employees will respond. Attributing the implementation of practices to a concern for product/service quality and employee well-being is associated with positive employee attitudes, whilst attributing the implementation of practices to cost reduction and employee exploitation is negatively associated with positive attitudes (Nishii, Lepak and Schneider, 2007). There are therefore some challenging implications for managers in communicating rationales for decisions which may be perceived by employees to affect them adversely. These are likely to be of particular concern in the current economic climate and the skills that managers will require to do this are discussed in the following section.

3.6   Characteristics and skills for leadership and management

Each of the models set out above has its own advantages and challenges. In spite of decades of research, theorists and practitioners have failed to find a single, overarching model of leadership which is effective in all circumstances or even a commonly agreed set of principles or traits. Rather, there is a recognition that effective leaders may lead quite differently and still be successful.

There is some published research on the impact of these different leadership styles on team effectiveness and student outcomes in further education (FE) colleges and the wider learning and skills sector but is not comprehensive (Lumby and Simkins, 2002). Some principles are drawn out which resonate with the more general propositions of evidence already discussed. Within the lifelong learning sector, Jameson and Andrews examined trust and leadership, arguing that collaborative environments, with a high degree of trust, led by excellent leaders are essential for survival (2008). Leadership behaviours identified through the research that build trust include: good communication and consultation; loyalty; delivering on promises made; honesty; integrity; authenticity; stability; consistency; reliability; openness; transparency of information; leading by example; and sharing common goals and values. Leadership behaviours that reduce trust were identified as the mirror opposites to those building trust, for example: poor communication; deceit; low moral standards; inconsistency; unreliability and a lack of common values. It was also recognised that trust can be lost quickly.

3.6.1   Values

At the heart of this perspective is a belief in the importance of sincerity in leadership, which involves embodying and enacting personal moral beliefs. As Goffee and Jones (2006) argue, leadership demands the expression of an authentic self, demonstrated in sincerity, honesty and integrity. In an educational context, Govindji and Linley (2008) argue that leaders lead most effectively, and are most inspirational, when they are being themselves, and being true to their own principles. Bush (2003; 2008) argues that educational management has to be centrally concerned with the purpose or aims of education. These purposes, values or goals provide the crucial sense of direction, which should underpin the management of educational institutions. Management is directed at the achievement of certain educational objectives. Unless this link between purpose and management is clear and close, there is a danger of 'managerialism', or a stress on procedures at the expense of educational purpose and values.

However, one strand of literature has shown how the same skills which we see as positive in leaders can also have, in some cases, detrimental effects (Conger and Kanungo, 1998). For example, Gladwell (2002) gives a vivid account of how exceptionally talented and skilful people in Enron created major problems for the company through their use of their leadership skills for personal advancement and gain. Salaman (2010) sees the emphasis on the importance of the individual leader plus top-level remuneration habits as leading to the excessive risk-taking behind the recent global economic crisis. Having great leadership skills does not mean that they will be used for the wider good. This implies the importance of values such as integrity in effective leadership.

3.6.2   Blended leadership

The former Centre for Excellence in Leadership (CEL) commissioned Lancaster University to investigate effective leadership dynamics in FE colleges (see Collinson and Collinson, 2005; 2006). The research, which involved interviews with 140 employees (from principal to lecturer), explored how leadership is enacted, distributed and experienced at various hierarchical levels. The research found a preference for leadership styles based on consultation, which led to high staff motivation and dedication. Findings also revealed a widespread recognition that praise is a key staff motivator and a unanimous view about the vital importance of effective leadership. A further publication by Collinson and Collinson (2007) revealed employees' preference for (what they term) 'blended leadership' – an approach that combines specific elements of traditional 'top-down', hierarchical leadership with some contemporary aspects of 'distributed' leadership. According to their research, many staff in FE view effective leadership as combining distribution with direction, and delegation with decisive decision-making.

3.6.3 'Outstanding' leadership

A detailed review of the characteristics that define 'outstanding leadership' by The Work Foundation (Tamkin et al., 2010), which involved tracking over 50 managers, their bosses and teams over a three-year period, has found that exceptional leaders differ from their good peers in many distinct ways. These boil down from nine themes to three overarching principles:

- First of these is the centrality of **thinking and acting systemically on behalf of the organisation**. Outstanding leaders are careful about what they do and how they behave. They understand that development and stretching people to achieve beyond what they thought possible is highly motivating, that empowering people allows people to make a difference and that this drives employee engagement. They focus on both the future and the present and they embody both 'management' and 'leadership' seamlessly. Because of this systemic understanding these exceptional leaders are careful to build trust through integrity, predictability, openness and communication.

- Secondly, outstanding leaders have a different philosophical mindset in that they believe **people are the route to performance**. They give considerable amounts of their time to others and work to develop social capital and human capital as the only means to achieve outcomes such as productivity, quality, innovation and customer care. This means developing capability and engagement, encouraging the exchange of ideas and developing strong relationships.

- Finally, the leaders acknowledge that they themselves are important. They understand that they **achieve through their impact on others**. They are quick to acknowledge weaknesses and keen to empower and pass influence to others. They are self aware and reflective, and conscious of how they behave and the impact this has. Authenticity is therefore important to them, but this is to their sense of leadership rather than to their immediate mood.

3.7   Leading in a recession: approaches and skills

The challenges brought about by the recession lead us to consider the kinds of leadership skills needed in order to steer organisations through turbulent times and prepare them for the upturn. Some commentators argue that good economic times lead to lax management practice, which then has to be tightened up in less favourable economic circumstances (Mohrman and Worley, 2009). Much of the literature is focused optimistically on managing for the upturn rather than on how to lead through a really difficult period. However, research evidence which focuses specifically on leadership requirements and capabilities in a recession or downturn environment is rather sparse.

Given that most industrialised countries have been in recession for at least ten per cent of the time over the last century, we might have expected ten per cent of the vast literature on leadership which has arisen in the last 30 years, at least, to have reflected those specific circumstances. However, the number of articles addressing leadership in a recession directly

within the peer-reviewed research domain is remarkably low. This could be because analysis of leadership in different contexts does not see conditions of boom or bust as a primary division between different leadership types, needs or behaviours.

Much of the practitioner literature on leading in a recession tends towards generic wish lists – for example, a list of 50 bullet points on 'ways to seize the upside of a downturn' (Brown, 2009). But there are some broad distinctions within the literature which are useful to examine. The first of these is the degree to which the identification of the situation and potential solutions to problems caused by the recession are similar or different for public as opposed to private sector organisations.

Private sector or for-profit organisations have two major areas of action they can take in a downturn: broadly, they can cut costs, or they can try to grow and obtain new sources of revenue. As part of a growth strategy in a downturn, private sector organisations try to buy other organisations (Wan and Yiu, 2009) – or to look for new markets or lines of business less affected by the downturn (Leavy, 2009). Whether or not private sector organisations attempt to grow through a recession appears to be a function of organisation size, as *"start-up organisations are much more inclined to pursue revenue-generating strategies as a means to weathering recession rather than cost reductions, which tended to be the preferred strategy of larger firms"* (Latham, 2009: 181).

For public sector organisations, with centrally-set budgets, the opportunities for growth through 'acquisition', or other forms of expansion, are starkly limited. Major retrenchment of services is also politically difficult, although clearly likely in some cases. This leaves increased efficiency, or some mechanism of "doing the same or more with less", as the primary driver of public sector activity in response to the recession (Deloitte, 2009).

The next section of this chapter goes on to present important skills, knowledge and behaviours for the current and future circumstances that learning providers face. The list has been developed through the literature and through discussions with representatives at business and management schools.

3.7.1   Innovation

Public sector leadership bodies such as the National Health Service Institute for Innovation and Improvement and the Improvement and Development Agency for local government have put high emphasis on innovation in recent years and it seems likely to continue over the next few years as a route to delivering more with less. A major survey of attitudes to innovation in the recession among 850 leaders and managers found that innovation increased in importance, but also that managers saw it as *increasingly* likely to take place – this despite 'lack of resources' being seen as the main barrier to innovation (Patterson and Kerrin, 2009). In that light it is worth noting that this same survey found 29 per cent of managers in the public sector reporting that innovation was 'stifled' by leadership in their organisation, compared to 20 per cent of private sector managers. Managers in the public sector report fewer working practices conducive to innovation and more barriers to innovation relating to managerial issues. Public sector managers are more likely than their private

sector counterparts to feel that the resources available for innovation will be reduced in the wake of the recession (37 compared to 27 per cent). Public sector managers are also more likely to identify risk aversion and a fear of failure among leaders as barriers to innovation (33 per cent), as well as hierarchical staff structures (30 per cent). This is endorsed by other research which predicts innovation as more likely in organisations with distributed, rather than 'command and control' decision-making, which may be less common in some parts of the public sector.

This gives some clues about what leaders and managers actually need to do to make innovation happen. Literature shows that leading innovation in tough times is therefore seen as a matter of creating the environment for innovation – where many people in the organisation feel empowered to innovate, rather than leaders or leadership having all the new ideas (Gratton, 2009). The aim is to "grow the ecosystem even when you are not growing" (Chesbrough and Garman, 2009: 74); that is, to support new ways of doing things so that many organisations, or public bodies, benefit, even while your own budget, income, or profit is reduced.

If innovation is a key route through the recession, then better leadership of people is essential (PwC, 2010). The strategies that are required emphasise plans for honest, open communication with staff at all levels, both about organisational performance and when difficult decisions have to be made (Sandler, 2009), as well as a focus on communicating the 'fairness' of strategies being adopted. This means that leaders and staff need to share the 'pain' involved in recession-driven changes, and adopt fewer incentives focused on individual performance, and more on communicating a sense that 'everyone is in this together' (Vermeulen, 2009). At the same time, different leadership styles may be needed for different stages of the innovation process. In the early stages of innovation activity, such as product design development, the focus should be on creating an organisational context that encourages tolerance for ambiguity, experimentation and communication. In these circumstances transformational leadership is known to have significant effects on performance under conditions of uncertainty and ambiguity (Waldman, Ramirez, House, and Puranam, 2001). However, during the implementation phases of innovation, there is a clear shift of emphasis from wide-ranging exploration, to relatively incremental exploitation and commercialisation. This means that relatively formal structures and accountability may be important. Therefore, leadership styles that emphasise transactional behaviour may be relatively more appropriate than those that emphasise transformational leadership. If managers at lower levels of the organisational hierarchy are responsible for implementing innovations, they may need to use different styles from those used by senior leaders, and all managers and leaders will need to be able to achieve some coherence between the two styles to avoid staff confusion over mixed messages.

These two primary approaches to leading in a recession translate loosely into two major areas of skills which leaders need to be aware of, and possibly improve upon: again an emphasis on increased commercial and general enterprise skills, and also greater reliance on strong interpersonal skills to work with staff and employees.

3.7.2   Commercial skills

In general there is a strong consensus both on the need for, and the increased salience of, commercial and broad business skills in a downturn. This consensus would include highly practical elements such as 'managing cash, and cashflow' in the organisation (Goldberg et al., 2009), through to broader-based commercial skills, such as a greater emphasis on sales and marketing skills, financial management, and planning and forecasting (Cox et al., 2009). For the learning and skills sector specifically, research has identified major *"skill shortages and skill gaps in **marketing strategy**, and **commercial skills** when the sector is facing greater competition"* (Rowe and Bysshe, 2010: 35).

Looking at the Learning and Skills sector in the downturn specifically, a major study for Lifelong Learning UK (LLUK) identified additional requirements of leaders in terms of commercial and financial management, particularly the need to understand the shift to demand-led funding. This includes understanding the demand-led funding formula, and also data management, in relation to submitting information to funding bodies. The same study also emphasised managing business-to-business partnerships as increasingly salient, with leaders increasingly called upon to manage partnerships and alliances across organisational boundaries, requiring an understanding of supply chain relationships, and of elements of business-to-business contracting approaches, such as maximum contract value (Lifelong Learning UK, 2009a). Finally, an understanding of the different roles technology can play in developing and informing this higher degree of partnership working is also seen as important (UKCES, 2010).

3.7.3   Interpersonal skills

To accompany these business leadership skills in analysing the environment and partnership working, some studies highlight particular interpersonal skills, including negotiation skills and increased personal effectiveness to manage relationships (Hirsh et al., 2005). To explain to staff and employees why difficult decisions have to be made, and to give them confidence through any necessary change programmes, specific communication skills are required (David, 2001) which encourage the exchange of information and ideas, and autonomy from your staff (Mohrman and Worley, 2009). Finally, several authors mention a heightened self-awareness which leaders require in tough times to understand when they are putting themselves under too great a level of stress, and to be mindful of when they themselves are losing 'passion' for their work in a recession due to the unpleasant duties that may have been asked of them (Johnson, 2009).

3.7.4   Trust

'Trust' has also been identified as fundamental to effective organisational performance, particularly in the recession, in a study by the Institute of Leadership and Management (ILM) and Management Today (MT) (2009). The study emphasises the speed at which modern organisations need to be able to respond to social, market and technological change, particularly within the context of the recession. According to the research, good leadership is critical in enabling effective change, and there is growing recognition of the pivotal role that trust can play in times of change.

3.8   Equality and diversity issues

One concern across much of the learning and skills sector that is shared across other parts of the public sector in particular is the impact of recession on diversity and equality outcomes for students and staff, and the extent to which principles of equality and diversity will retain support during a difficult economic period. This is bolstered by the introduction of the Single Public Sector Equality Duty, which already covers three equality strands of race, gender and disability and which, by 2011, will cover all the other equality groups. However, there may be challenges for organisations with less well developed or robust approaches to fostering equality and diversity in ensuring they comply with the new legislation.

According to research conducted for the Equality and Human Rights Commission (EHRC) into the impact of recession on more vulnerable groups, it is too early to say whether the current recession will either slow the momentum of the equality agenda or lead to reversals, because employment levels are expected to fall for some time after the economy returns to growth (Hogarth, 2009). However, the report suggests several potential impacts of the recession for women in particular:

● Work-life balance and diversity initiatives, as well as the right to request flexible working, are likely to be given lower priority by employers during the current recession, with implications for both men's and women's employment.

● Equal pay and sex discrimination claims made by women have decreased during the current recession as a result, presumably, of women being increasingly fearful of losing their jobs.

● While men have experienced higher job losses to date in the current recession, women may be more likely to be affected later, with a second wave of job losses expected in the public sector.

This is of particular concern given continuing vertical gender segregation revealed in research published by Lifelong Learning UK (LLUK), which showed that women are under-represented in senior management and leadership roles in FE colleges. The female to male ratio for senior managers is 45:55, compared to 64:36 for the overall workforce in the sector (LLUK, 2009b). Other research into senior leadership shows only 36 per cent of principals are women, although 64 per cent of the FE workforce is female and women make up around 60 per cent of managers in colleges (WLN, 2009). This is despite evidence to show that female principals are broadly as successful as men. For example, 50 per cent of the general FE colleges in England judged outstanding by Ofsted are led by women and 50 per cent of the principals leading the 28 member colleges of the 157 Group are women (expected to be 60 per cent by autumn 2010).

However, according to a study carried out by Appelbaum et al. (2002), by failing to maximise the potential of their female employees, organisations can potentially lose out in two ways. First, they may not fully benefit from the unique talent and perspective that women can impart. The difference in men's versus women's leadership styles is seen as particularly important in light of the trends towards flatter organisations, team-based management and increased globalisation (Oakley, 2000; Adler, 1993; Rosener, 1995).

Secondly, organisations may receive a poor return on their investment by driving out those whom they have spent time and money training. There are similar issues of racial inequality in staff profiles, evident in under-representation of black and minority ethnic (BME) managers, particularly at senior management levels and on governing bodies (Women's Leadership Network, 2007).

According to Claes (1999), new values, sometimes called feminine values, have appeared in business. These values contrast with the competitive and authoritative approach usually associated with traditional masculine management as they are based on consensual relations and inspire a different management approach to communications, leadership, negotiations, organisation and control. Increasingly, this rebalancing of values is seen as key to business success. Research aggregated from numerous sources by Appelbaum et al. (2002) acknowledges differences in a male versus female approach to leadership. A variety of descriptors attributed to males and females are shown in Table 3.1.

Table 3.1: Masculine and feminine leadership characteristics

Male	Female
Structure	Consideration
Transactional	Transformational
Autocratic	Participative
Instruction-giving	Socio-expressive
Business-oriented	People-orientated

A variety of work now concurs that 'feminine characteristics' are more appropriate for 'transformational' leadership and 'masculine characteristics' more appropriate for transactional leadership (Hare et al., 1997).

The current economic climate creates new imperatives for employers within the learning and skills sector to work more effectively and efficiently. However, the current climate is not the right time to 'cut corners' or compromise equality. According to a report by the Women and Work Commission (2009), in order for businesses to succeed in this environment it will be more important than ever to draw on the skills of a diverse workforce, and to invest for the long-term in employees so that the best can be recruited and retained.

Table 3.2 below draws together a number of the elements to provide an overview of the strategies the literature suggests both the public and private sectors employ to cope with recessionary times, and the kinds of leadership skills they require to execute those strategies. While, as the table indicates, there are some differences in strategy, the key leadership skills needs are, in the main, common to both the public and private sector. In particular, the leadership skills requirements that are perceived to be necessary show major areas of overlap, with 'business' or 'commercial' concerns for both kinds of organisation.

Table 3.2: Strategies for leading in recession and skills implications: public and private sectors compared

	Private sector	Public sector
Primary strategies	Investment in new products, technology etc. Search for new markets/ opportunities Cost-cutting Focus on core activities	More cross-departmental 'public sector agreements' which look for joined-up government New delivery mechanisms (Deloitte, 2009) Dynamic capabilities (Pablo et al., 2007) Partnering
Key leadership skills	(Managing) Innovation (CMI, 2009) Networking/Partnering/Contracting (Lifelong Learning, 2009) Communication (David, 2001) 'Business' or 'commercial' skills – sales, marketing, accounting etc. (Cox et al., 2009) Experience of management in prior downturns (Levenson, 2002) Restructuring/change management skills (Deloitte, 2009) Environment scanning (Navarro, 2009) People management (Ahmed, 2009)	

3.9   Developing a skills framework

Based on the general trends in management skills needs together with some of the recession-specific issues identified by the evidence reviewed, we now identify a list of skills, knowledge and behaviours that managers and leaders may require within the learning and skills sector. This list forms the backbone for the analysis in the rest of this report and is used to consider LSIS' provision in the context of changing management skills needs.

From the literature review, we can ascertain that the four dimensions of leadership and management skills needs centre on:

● Thinking about the organisation's direction, planning its structure and staffing, and conceptualising change.

● Interpersonal skills required to lead and manage staff within the organisation as well as external stakeholders.

● Managing resources to optimise performance including making systems and procedures effective.

● Self-management of emotions and ability to cope with pressure during tough times.

Figure 3.1 also divides leadership and management skills into different categories, illustrating:

● Those which increase in importance during the recession.

● Well-researched dimensions of leadership effectiveness.

● That change is not a new dimension of leadership, but is greater at a time of reduced resources.

It is evident that recession-related skills are not entirely new skill sets, rather they are skills which are heightened in importance. Equally, it seems evident that managing oneself and managing interpersonal relationships appear to acquire some additional facets of importance relative to the other skills needs.

Figure 3.1: Composite of leadership and management skills from literature and public sector frameworks set against main four recurring dimensions of leadership

Strategic thinking

Outward-facing

Commercial / entrepreneurial

Managing risk / governance

Customer focus and customer diversity

Managing service quality

Innovative / creative

Managing resources

Resilience

Delivering performance — **Leading and implementing change** — **Personal effectiveness**

Self-awareness
Self-development

Re-organisation

Curriculum design and delivery

Impact and influence on others

Managing conflict

Managing individual and team performance | Communication

Motivating others

Developing others

Working with partners

Working with others

Increase in importance during recession

Well-researched dimensions of effective leadership

Change is not a new dimension of leadership, but is greater at a time of reduced resources

3.10 Conclusions

In summary, the key messages that can be extracted from the literature include:

- Models of leadership can be located along a spectrum from top-down 'command and control' approaches to more distributed and devolved styles. While command and control or 'transactional' forms of leadership may be necessary for addressing a particular short-term issue, they are unlikely to be sustainable in the long term. Transformational models, although they may take longer to embed, are likely to provide greater sustainability through collective buy-in. During the challenging circumstances brought about by a recession, it may be necessary for leaders and managers to adopt a style of leadership which blends elements from different models, including both short- and longer-term techniques and strategies.

- The **leadership models do not provide an explicit list of skills**. It will therefore be important through the course of primary research to gain an understanding of how different skills manifest themselves within each of the models.

- Typologies of leadership and management skills can provide useful information, however, it is important to consider that lists of separate competencies may fragment, both the leadership task and the skills of the leader themselves. In practice, **leadership is a holistic and inter-related activity and may essentially depend on how skills are used in combination**.

- Leadership is not only about skills, it is also **role and context-specific**. Models and lists of skills may not account for variations in levels of seniority amongst managers and leaders.

- This literature review has purposely studied literature related to both the private and public sectors. Whilst it is important to consider and understand some of the approaches used in the private sector, we must remain mindful that learning providers operate in a different context, and have **cost-effective teaching and learning rather than profit maximisation** as their main purpose.

- Given the pressures of the recession, equality and diversity issues may be neglected by some providers, however, as studies concerning gender have shown, a new set of '**feminine values' may be more appropriate for transformational and distributed forms of leadership**.

4.   Changing management and leadership skills needs in the learning and skills sector – evidence from primary research

Key findings

Requirements in management and leadership skills do not change radically during recession or periods of reduced funding for the learning and skills sector.

However, good management and leadership capability becomes more important for organisations during difficult times.

There is also a clear change of emphasis on different types of skills, with the following skills considered to be important for managers and leaders during a recession:

- strategic thinking and planning
- collaboration and partnership working
- change management and staff engagement
- performance management
- entrepreneurial skills and business acumen
- financial management.

Additional skills challenges pertinent to the learning and skills sector, include procurement and commissioning, equality and diversity, and personal effectiveness.

There were some variations in skills needs in different parts of the sector and among different staff groups, although it was felt that staff at all levels of seniority require robust financial management skills. Middle and junior managers also need to develop greater entrepreneurial and commercial skills as well as a better understanding of the changing learning and skills policy context. Smaller providers were most likely to need to develop skills in partnership working, including contract management and negotiation skills. Colleges may have greater skills needs in handling performance management issues than other parts of the sector.

The purpose of this chapter is to identify current and future management and leadership skills that are needed within the learning and skills sector and to consider whether these change in different economic circumstances using primary evidence. The chapter is based on interviews with stakeholders and sector leaders, two case studies and the views of other learning providers in the public and private sectors who are adapting their provision to meet changing customer needs.

4.1   Introduction

The recession has had, and continues to exert, a significant impact across the UK in terms of: failing economic activity; public spending cuts; and rising levels of unemployment. The recession has also brought about several negative impacts for the learning and skills sector, including reductions in government funding through efficiency savings. In addition, businesses often cut training budgets during downturns, which can have a significant impact upon further education (FE) providers, particularly specialist colleges and National Skills Academies, which receive substantial revenue from employers.

The recession, therefore, creates several new and diverse challenges for the leadership and management of further education organisations and their curriculum. In addition, leaders and managers in the sector are dealing with a range of other structural, financial and political changes, including: changes in funding and commissioning arrangements arising from the dissolution of the Learning and Skills Council (LSC) and the creation of the Young People's Learning Agency (YPLA) and Skills Funding Agency (SFA) from April 2010; 14–19 reforms; raising participation age policies; a change of government; and, for some colleges, a legacy of debt from aborted capital projects.

4.2   Approaches to management and leadership

A people-centred leadership philosophy founded on principles of trust and open communication, as discussed in Chapter 3, may increase in importance as the pressures of organisational change begin to bear on staff. This does not mean that people-centred leaders avoid making tough decisions. Indeed, leaders will need to be capable of driving through change, which staff may find difficult. But leaders need to do this in a way that also gains staff commitment to the end goals.

Snapshot evidence: management and leadership philosophy in action

Different management and leadership philosophies can have a major impact on staff during change. Use of managers to run parts of organisations with split sites enables the operational side of leadership and management to be devolved to single individuals. This is what distributed leadership looks like in practice. This is more than a pragmatic decision on grounds of organisational location but also based on a belief in empowering individual managers to make their own decisions.

New leaders coming into organisations may encounter different perceptions from different staff groups. Staff who feel they have real responsibility for their own area of management, even during a period of change, are more engaged and feel less insecure about their own future and the future of the organisation.

Trust in the leader of an organisation is particularly important during times of recession, and those new in post may need to work harder to develop that trust during difficult financial circumstances. However, with charisma and encouraging an 'all hands on deck' approach, it is possible to build trust quickly and ensure staff are able to develop the required confidence in a leader and manager. Skills such as encouraging transparency, listening, being open and empowering staff are seen as particularly important both during a recession and in terms of building trust and confidence in a leader and manager.

Managerial competence is mostly operational, and can be seen as connected with *efficiency* in terms of operating processes, procedures, making systems work and implementing policies. In contrast, **leadership competence** involves motivating people through creating a vision, inspiration and getting people galvanised around goals and change. Interviewees acknowledged that senior leaders would not necessarily require detailed technical competence in all aspects of management. However, leadership skills in relation to motivating staff and setting direction are seen as integral to all levels of management, albeit in different forms.

4.3   Skills required during a recession

Sector leader and stakeholder interviewees were asked to identify the skills, knowledge and behaviours that are required during a recession, and Table 4.1 is based on their responses.

Table 4.1: Skills needs identified for leaders and managers in the learning and skills sector during recession

	Strategic thinking	**Working with others**	**Delivering performance**	**Personal effectiveness**
Enduring clusters applicable to public sector	Strategic thinking (in broad business and commercial context)	Managing and motivating individuals and teams to perform through staff engagement	Delivering high-quality services	Self-awareness and continuous self-development
	Creative/ innovative problem-solving	Developing people at work and supporting equality/diversity objectives	Customer focus	Impact on others
			Managing money and resources effectively	
	Leading change		Implementing change	
		Working with partners and stakeholders		Influencing skills and flexibility to deal with fluid relationships
Hot topics in tough times	Managing risk and governance	Resolving conflict	Managing re-organisation	Resilience/ determination in uncertainty
	Entrepreneurial/ commercial orientation	Communication, internally and externally	Re-designing products and processes	

This table identifies skills required by leaders and managers during a recession, as reported by sector leaders and stakeholders. The skills identified have been categorised according to four main traits, which are also used in the skills chart derived from the literature in Chapter 3 and Table 5.1, which is used to define the skills developed through LSIS provision in Chapter 5.

Within the management and leadership philosophy and in Table 4.1, a number of skills were identified as important for managers and leaders during a recession. They are:

- strategic thinking and planning
- collaboration and partnership working
- change management and staff engagement
- performance management
- entrepreneurial skills and business acumen
- financial management.

The interviews with sector leaders and stakeholders also identified additional skills challenges around procurement and commissioning, equality and diversity, and personal effectiveness.

These skills are discussed in more detail below.

4.3.1   Strategic thinking and planning

Stakeholders, sector leaders and those interviewed as part of the case studies identified strategic thinking and planning as particularly important during a recession.

A **strategic understanding of the current and future place of the organisation**, and of potential opportunities, is also critical in a recession. Constantly reviewing the organisation and its abilities, and reinventing the organisation based on where funding is available and in what form, was seen to be a particularly important behaviour for management and leadership in a FE provider during difficult financial circumstances. Having the confidence to reinvent the organisation and being able to take the staff with you is an important skill. It requires strategic thinking, identifying future growth areas and making sure that the organisation is in a position to exploit those opportunities.

Planning for the future is to some extent different for FE colleges and work-based learning providers, although common themes revolve around the need for strategic thinking and planning. Planning in general is partly required to sustain the organisation during times when senior leaders are looking more to the future, but is also particularly important for middle and junior managers within a system of distributed management.

Managers at all levels of the providers stressed that the strategic vision offered by leaders needs to be for the long term, around three to five years into the future. One provider mentioned the danger that leaders focus on '*how to get through the next 12–18 months, not taking the necessary decisions to ensure long-term survival*'. This suggests that assessing impacts of national policy change for the sector is likely to become more important over the next one to two years because of imminent political change and changes in the organisational landscape of funding bodies. However, findings suggest that leaders need to develop a longer-term view of at least five years in order to plan effectively.

Having analysed influences and trends, senior leaders then need to forecast and predict implications for their organisations and formulate a suitable overall strategy, taking into account existing organisational strengths. Senior leaders in FE providers suggested that forming a realistic perspective of future possibilities for learning providers is more important than developing visionary or grand schemes in the current climate. Evidence from interviewees suggests that this may involve being able to take and justify tough decisions such as where to rationalise course provision. This involves developing the priority-setting aspects of decision-making, for example in seeing where best to prioritise investment to meet future challenges. Leaders also need to position the organisation strategically for the long term, including, for example, planning how to save for annual improvement projects when capital funding is unavailable. In order to undertake such planning effectively, leaders need to have a comprehensive understanding of potential risks and to formulate strategies for handling them.

Variations in skills needs between different staff groups

Skills in understanding the policy and funding environment are mostly concentrated at the level of senior leaders, but the design and implementation of plans to turn strategy into action are also likely to place demands on middle managers' skills, particularly in those learning providers which operate in a system of distributed leadership. **Middle and junior managers are regarded as needing to develop greater understanding of the changing policy landscape**. The skills and processes involved vary slightly between FE colleges and work-based learning providers. For example, senior managers in FE colleges believed that improved **strategic planning skills were required by middle managers in FE colleges**, but leaders of other FE providers were less likely to note this skills need for other managerial colleagues.

4.3.2 Collaboration and partnership working

The learning and skills sector has been engaged in increasing levels of partnership working in recent years. 'Partnerships' will take a variety of forms. These include:

- **Collaboration through mergers** as providers are being forced into making savings and achieve efficiency gains.

- **Collaboration with other providers**. Partnerships may be with other FE colleges in the same geographical area but with different subject or market strengths. Partnerships will also be with schools and HEIs, especially in delivering Diplomas and Foundation Degrees.

- **Collaboration with local authorities** who are assuming new responsibilities for funding of young people's learning, e.g. ESOL and other spatial partners such as employment and skills boards and regional development agencies. These relationships are accentuated by the 'Total Place' initiative, which involves pooling budgets to tackle social needs through multiple interventions, one of which is education and training.

Partnership working and collaboration are particularly important during a recession, as providers seek to do 'more for less', and find that working together helps to enable this. It also means providers can become a single point of contact for schools or others advising young people, as they can join with other FE providers to deliver a greater range of qualifications.

The skills needed for partnership working involve finding **clarity on joint objectives and curriculum planning, understanding how to take on and relinquish responsibilities, a flexibility in perspective** to understand what other partners' concerns and objectives might be, and the ability to ensure that agreements are followed through. **Brokerage and negotiation skills** are critically important in making partnerships work effectively. In addition, those working in partnerships will need to deploy effectively influencing skills to make partnerships effective, since they may not hold formal authority over each other, and developing communication skills and systems to share ideas is essential. Even in the same sector, different institutions have diverse histories and culture and partnership working requires a sensitivity to these aspects, sometimes called 'cultural agility'. In terms of personal skills, **tolerance and resilience to deal with more complex and ambiguous relationships are needed**, since partners may on one occasion be competitors and on others collaborators.

Variations in skills needs among different staff groups

Smaller and/or newer providers are likely to have more limited experience of collaboration and are more likely to have skills needs in this area. The requirement for partnership and collaborative working was mainly identified by senior managers in FE providers, possibly because this is the level at which collaboration is more likely to take place. It was also suggested by some middle managers as a skill which was more important during a recession, as they seek to expand their curriculum offer.

4.3.3   Change management and staff engagement

Financial pressures in the sector are likely to lead to pressures to manage cost-saving strategies but the impact of recession across the economy and changes in patterns of growth in different sectors may also create demands to change curriculum offerings. A major theme emerging from this project is that managing change is not a discrete process; instead it constitutes a thread that runs from formulating an agile strategy to cope with a changing and possibly volatile financial context right through to managing people in turbulent and uncertain times.

Change management is a difficult concept to define, and so respondents had different views on the skills required to successfully manage change. One of the skills identified by respondents was project management, as implementing change typically consists of one or more projects. However, the sector leaders and stakeholders felt that the other side of change management was more around staff engagement and ensuring that motivation and morale amongst staff did not drop. While these have been characterised as skills below, mostly these are qualities or behaviours that successful leaders and managers have adopted during difficult financial circumstances.

Skills and qualities identified by respondents for successful change management and related staff engagement are given below:

- A very **diverse range of communication skills, including listening skills and sensitive oral communication skills,** especially when communicating news of redundancies, as well as the capacity to conduct difficult conversations firmly and fairly. The research uncovered two contrasting examples where the news around redundancies affected staff in different ways, and the provider which approached the issue with openness and honesty to staff found the situation was more easily resolved and morale was still high during the process.

- **Negotiation skills** to achieve difficult changes in organisational structures.

- **Empathy** to understand the variety of emotional and psychological responses that individual staff may show in response to different stages of organisational change and uncertainty about job content and security.

- **Clarity in communicating the vision** of the organisation's future, charisma to convince staff of the potential for future organisational success and commitment to protecting the quality of learners' experience. In one work-based learning provider, monthly briefings by the senior leadership team for all staff helped to ensure all staff bought into the vision for the organisation.

- **Persuasion, presentation skills and potentially a degree of personal charisma**, embedded in a set of strong personal values, to motivate staff to embrace new organisational strategies and adopt new working practices in a climate where financial incentives may be limited or absent.

- **Empowering and providing as much responsibility to staff as possible**, to maximise the amount of control they have in situations of uncertainty and ambiguity.

- A range of **personal skills including resilience to cope with emotionally charged situations, self-control and the ability to model behaviour** that leaders wish staff to display. They also include tenacity and self-belief to pursue organisational objectives; courage to take sufficient time to make considered decisions rather than act too reactively; communication skills and resilience to be able to handle conflict; personal integrity to be honest and transparent about decision-making criteria and processes and assertiveness to drive through change.

These skills and qualities highlight the importance of engaging and empowering staff in the learning and skills sector through difficult times. A transformational model of leadership and management would promote these kinds of skills and qualities and help to ensure that managers at all levels work to engage and empower their staff.

4.3.4   Performance management

Managing staff performance increases in importance during recession, as motivating staff to perform at optimal levels is more difficult in a climate of uncertainty and reduced resources. Interviewees also mentioned situations where the turnover of staff was falling, as a number of staff, both those nearing retirement and those looking to progress in their careers, who would usually be looking to move into a different role, were being more cautious and staying put. This can be a difficult situation to manage, particularly when those staying in their jobs would rather be doing a slightly different job, or fewer hours, etc. The situation described was new to most of the interviewees, and so requires new skills to ensure morale remains high and does not fall, while staff performance is effectively managed.

Also, some interviewees, including those who had come to FE from the private sector, believed that **FE has less experience of performance management than other sectors**, including having tough performance management conversations and communicating difficult messages. This, coupled with different kinds of staff staying in post for longer periods, means that performance management is an important skill needed for successful leadership and management of an organisation in the learning and skills sector during a recession, and one which can require additional development.

More specifically, the skills required for performance management in the learning and skills sector during a recession include:

- Forming and explaining meaningful connections for each employee from the vision and mission of the organisation to their personal objectives, in a 'golden thread', to encourage rather than coerce optimal performance.

- **Ensuring performance management processes are applied at senior levels** through monitoring accountability and **using effective motivation skills at middle and junior management levels**.

- Continuing to **operate talent management processes** even in tough times to ensure a future supply of staff.

- **Dealing with poor performers fairly and firmly** through sensitive but assertive communication skills.

- **Supporting optimal performance of teams** as well as individuals by aligning individual interests to organisational interests.

- **Motivating staff who may be required to undertake different roles** or to adapt course content or delivery.

Variations in skills needs between different staff groups

Managing staff performance was characterised by those at a senior level as performance management, while those at middle and junior levels of management saw it more as motivational skills during a recession. This relates to the more operational side of different kinds of staff staying in their roles for longer during a recession, as discussed above.

4.3.5   Entrepreneurial skills and business acumen

A management and leadership philosophy that focuses on empowering staff and encouraging support for a collective mission, usually around learning, was regarded as the most successful model for an organisation in the learning and skills sector to adopt during a recession. However, the financial challenges mean it is also important to have good commercial awareness, and entrepreneurial skills in order to deliver 'more for less'.

In this context, entrepreneurial skills involve the ability to spot opportunities for business development and respond proactively to them to develop revenue streams. **This involves identifying and securing alternative income sources, which in turn requires confidence to attempt innovation and take informed risks**. Some difference was noted between creativity, which involves new approaches to delivering existing learning, and innovation, which involves fundamental rethinking about what learning is provided. **Creativity is likely to involve flexibility in fee structures, modes of delivery and resourcing**. In the case study organisations, senior and middle managers stressed the need to be conscious of 'running a business'. This presents some challenges in balancing commercial priorities with running an educational and community service, requiring skills in judgement.

There are also differences between the approaches to managerial entrepreneurship in colleges and work-based learning providers. Interviewees suggested that colleges may have greater needs to develop entrepreneurial skills, as work-based learning providers are more accustomed to the need to develop provision responsively. One provider had met the need of a local council to provide a construction course for young people who are not in education, employment or training (NEET) and had quickly sourced and leased an appropriate venue to deliver the programme.

Variations in skills needs among different staff groups

Interviewees suggested that, in particular, staff in colleges responsible for curriculum development and delivery at middle and first-line management level may need to develop these skills.

4.3.6   Financial management skills

Financial management skills acquire huge significance during a period of reduced funding when demand for services may be increasing, and there was a widespread view that these skills required greater development in the sector. Some interviewees felt that it would be helpful for the sector to learn from financial management skills and practice used more commonly in other sectors, which have had to face significant financial constraints. Interviewees felt that managers and leaders in the learning and skills sector should focus on developing skills to provide services differently for less money, rather than necessarily offering 'more' services for less money. In particular, the skills identified included:

- **Understanding of financial data** and accuracy and attention to detail in interpreting it.

- **Skills in budgeting, maximising return and keeping down costs** by managing resources efficiently, modelling possible returns on investments and making judicious investment decisions.

- Creation and effective use **of good financial management information systems**, regular financial monitoring and robust financial control procedures.

- **Creativity and flexibility in sourcing and pooling different funding streams to meet local needs and government priorities**, beyond simply complying with funding allocations. Policy thinking is placing increasing emphasis on co-investment from learners and employers to fund provision and providers will need to assess where such co-investment is most likely to be feasible and possibly cross-subsidise other programmes. Such changes are likely to require not simply financial management but also skills in marketing the benefits of programmes to secure requisite co-investment.

Variations in skills needs among different staff groups

It was felt that junior and middle managers had greater development needs in financial management, particularly those who had previously been in curriculum and teaching roles. Junior and middle managers were identified as requiring greater training in managing resources to ensure budget targets are achieved because they are responsible for much day-to-day spending. This is not simply about understanding accounts but understanding and being capable of and willing to take action to address budgetary issues. One middle manager commented, "*It is my responsibility to know where the money goes; you need a healthy understanding of the bottom line.*"

4.3.7   Procurement and commissioning skills

As well as the need for financial management during a recession, leaders and managers in the learning and skills sector felt that procurement and commissioning skills should be a focus for development. Pressures on finances mean that skills in securing and managing contracts both as a provider and as a commissioner of services are becoming more important. Skills identified through the interviews include:

- **Robust negotiation skills** both in getting the best deal when collaborating with other providers and sourcing goods and services for use in the organisation. There are particular skills needed in sub-contracting and managing large contracts, because funding trends in the sector are likely to lead to the commissioning of higher-value contracts.

- Detailed **knowledge of legal requirements for takeovers and mergers** as consolidation in the sector has already begun and is likely to continue.

- **Forming procurement partnerships**, e.g. with other providers as part of networks or with local government, to achieve savings.

Small providers have spent many years developing their programme content and delivery but may need to develop better contract management and negotiation skills and an understanding of how to select partners and form relationships with them to provide services on a larger scale.

Medium-sized providers need skills to negotiate new and more flexible financial arrangements with other players, and may have to adjust to a different level of engagement and independence with the funding bodies directly.

4.3.8   Fostering equality and diversity of achievement for learners and staff

Recession can force equality and diversity objectives down or off the agenda for learning providers. However, the rising diversity of learner needs, including those of older learners, and learners with disabilities and mental health conditions, coupled with the obligations of the single public sector equality duty, intensifies the need for appropriate role models to inspire ambition among diverse learner groups. It may be tempting for leaders to relinquish equality and diversity principles, but without pursuing these, there are risks to the sector of an insufficiently diverse talent pool in the long term. Managers and leaders therefore need to **embed processes to uphold diversity and embody principles of fairness of treatment** in their interactions with staff, learners and wider stakeholder groups.

4.3.9   Personal effectiveness and self-awareness

Managers and leaders who meet these challenges are going to be under considerable pressure. They will have to make rapid and difficult decisions, often with limited time and information. They will face opposition from colleagues and stakeholders and will have to create positive working relationships in the face of such difficulties. They may not receive much support from above or from peers, as everyone will be feeling under pressure. This calls for highly developed self-awareness and self-development skills in navigating a turbulent organisational climate. It also calls for managers and leaders who develop the ability to see the impact they have on others and modify their own behaviour to help others succeed. This may often mean protecting others from anxiety but without simply becoming stressed oneself.

4.4   Summary and conclusion

In summary, as the evidence from the literature indicates, stakeholders and sector leaders believe that skills needed during recession are not remarkably different from skills needed for effective leadership in other financial climates. However, there is a clear change of emphasis on different types of skills needs.

Within the management and leadership philosophy and Table 4.1, a number of skills were identified as important for managers and leaders during a recession. They are:

- strategic thinking and planning
- collaboration and partnership working
- change management and staff engagement
- performance management
- entrepreneurial skills and business acumen
- financial management.

The interviews with sector leaders and stakeholders also identified additional skills challenges around procurement and commissioning, equality and diversity, and personal effectiveness.

4.4.1   Skill needs for different groups and organisations

There were some variations in skills needs in different parts of the sector and among different staff groups. The need for development of financial management skills was found most broadly across all levels of seniority of staff. Entrepreneurial and commercial skills needs, as well as understanding the changing learning and skills policy context, were most commonly identified among middle and junior managers. Smaller providers were most likely to need to develop skills in partnership working, including contract management and negotiation skills. Colleges may have greater skills needs in handling performance management issues than other parts of the sector. Having identified emerging skills needs, the report now turns to consider current LSIS provision and possible implications for how it might adapt to meet the leadership and management skills requirements of current and future leaders in the sector.

5.   Relevance of LSIS management and leadership development provision

Key findings

The combination of generic leadership and management skills and the specific focus on the learning and skills sector of LSIS programmes was highly valued by the participants in the research.

The action learning and reflective type of activities of some LSIS programmes are highly valued, as is the focus on shared/group problem solving.

LSIS provision was developed in a different, more favourable economic climate and could therefore renew its focus in the ongoing review of management and leadership development provision on skills and competences that become more important in times of financial crisis, for example, managing performance and budgets.

The emphasis on organisational performance topics, in both leadership and management courses, is highly relevant and could stretch managers further, requiring them to think about the **concept of developing and managing high performing organisations**. Linked to this is the aim for greater emphasis on managing the performance of people within a culture of high performance but also to 'do more and differently with less'.

There seems to be greater need for **adapting the content of some of LSIS programmes to focus more on developing skills in budgeting, finance and performance management, particularly at junior and middle levels of management**.

Material around innovation and creativity could be refocused to include activities aimed at developing a commercial/ entrepreneurial mindset amongst leaders and managers.

The mixed mode of delivery of LSIS provision is valued by the sector. However, there is some **scope for more innovation in the form of 'bite-sized' learning on key topics**, facilitation of internships and secondments to other providers, shared problem-solving approaches, and more mixed modes of delivery within some of the longer course programmes.

There is **great demand for more bespoke provision,** which LSIS has started to meet. In particular, its resource utilisation offer has the potential to create greater opportunities for peer learning and collaboration on the basis of 'live' organisational solutions to challenges facing the sector.

5.1   Introduction – context and focus of provision review

This chapter discusses LSIS provision for management and leadership development, covering open and bespoke provision, and its underpinning philosophy and approach. Due to the project's tight timescale, fieldwork undertaken was limited in terms of the number of informants consulted. This means that the project findings are illustrative and not statistically representative. LSIS is currently undertaking fundamental revisions of its management and leadership development provision, so this study is not intended to provide a detailed evaluation of LSIS provision and, in particular, does not seek to evaluate the quality of provision. The overall aim of the review is to evaluate the extent to which the skills emphasised in the content of LSIS provision reflect the key skills issues emerging from this study. The discussion about LSIS provision is therefore future-orientated in the light of skills needs in a changing economic context. It aims to provide an overview of how far LSIS programmes and courses support learners in developing management and leadership skills required to manage in a context of tight fiscal constraints. The chapter also puts forward some suggestions for LSIS provision in terms of how provision might be made more relevant to sectoral needs in the changed economic context.

Before reviewing open and bespoke provision, we note that LSIS also offers seminars and workshops that interviewees value highly in terms of both content and delivery. Sector leaders valued both the 'future gazing' approach and their peer networking potential.

In addition, we note that a list of around 30 core management topics has been drafted and will inform the planning of future LSIS management programmes. The management issues covered by the programme are grouped under four themes:

- **Curriculum and Quality Assurance** – including marketing and customer focus.

- **Human Resource Development** – including working with teams, performance management, industrial relations and employment law.

- **Resources, Information and Finance** – covering funding, financial management, risk management etc., but also information and project management.

- **Vision and Direction** – including strategy, planning and governance.

These areas touch on skills needs in finance and risk management, performance management, strategic planning and vision, which have emerged during the project as key leadership and management skills and competences in managing in a recession. This therefore suggests that the direction of development of LSIS provision is in line with the kinds of emerging skills needs in the sector.

5.2   Current LSIS provision and method of review

The current LSIS management and leadership provision consists of traditional, 'open' provision in the form of programmes and courses, and more recent and emerging bespoke provision which consists of training offers that can be tailored to the specific requirements of an institution or groups of institutions. The following sections discuss each type of provision in greater detail.

The review of provision is informed by:

- The interview feedback from seven stakeholders and seven sector leaders.

- A selective desk review of four LSIS programmes: Aspiring Principals and Senior Leaders Programme (APSLP), From Management to Leadership, Leadership in Practice (LIP), and Routes to Success (R2S).

- Interviews with relevant LSIS staff responsible for both open and bespoke programmes.

- Views from participants in the two case studies.

The desk review of the four LSIS programmes involved analysis of programme content, learning approach, mode of delivery, course outlines and internal performance reports on the programme.

5.3   Open provision

5.3.1   Rationale underpinning LSIS open provision

LSIS open programmes appear to differentiate between leadership and management. Leadership covers every level of managerial staff, focuses more on leading change and covers 'softer skills', while management covers 'hard' skills in developing knowledge and operational skills. Leadership focuses in particular on resilience and developing skills in order to manage constant change, ambiguity, and complexity across multiple boundaries.

The current LSIS management and leadership development programmes are underpinned by a strong internal logic, manifest in a number of concepts being used to develop future training. In particular, the LSIS provision is characterised by a structure around training offers targeted at three groups:

1.   Individual managers, with a focus on learning pathways for individuals.

2.   Executives, governors and trustees, with a particular focus on governance issues.

3.   Leaders seeking provision on specific issues, such as organisational effectiveness.

This structure is linked to the idea of different levels of maturity and attendant training and development needs both at individual (related to group 1) and organisational (related to group 3) levels. The idea of individual maturity (displayed through the 'ladder of leadership') is perhaps clearer than the emergent idea of organisational maturity. The idea of organisational maturity still has potential value in helping organisations choose the right intervention for their particular circumstances. There are some cross-cutting 'themes' which run through offers, e.g. equality and diversity; e-learning; talent management/succession.

5.3.2   Content of LSIS provision in selected key leadership programmes

How far does LSIS provision meet changing leadership and management skills needs in the sector?

Table 5.1 shows the content of these selected programmes mapped against the broad clusters of skills needs identified in previous chapters of this report. The terms used are drawn from LSIS programme outlines. Their sequence relates to the 'ladder of leadership' model that LSIS uses, with courses intended for the most senior people listed at the top of the table.

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Table 5.1: Content of selected key LSIS programmes mapped against clusters of management and leadership skills needs

	Strategic thinking	Working with others	Delivering performance	Personal effectiveness
Aspiring Principals and Senior Leaders Programme (APSLP)	Leading through complexity – context	Leading through complexity – social processes, power etc.	Leading learning (mix between issues and operational leadership)	Challenge of leadership – leadership as learning
	Leading learning and teaching into the future – sector issues			
	Leading strategy – strategic thinking, decision-making, ambiguity			
	Leading change (case study)	Groupwork		Networking
From management to leadership (WBL senior leaders only)	From managing the business to business leadership – context and strategy	Leading teams	Leading teams includes curriculum design	You the leader – self-awareness, self-development, power and influence
	Organisational development planning			Personal development planning
Leadership in Practice (LIP)	Leading policy – sector policies	Leading improvement, working with people	Leading performance – working with change, process of appraisal etc.	

	Strategic thinking	Working with others	Delivering performance	Personal effectiveness
		Leading policy – partnership working, negotiating and influencing		
Routes to Success (R2S) (topics here are examples)	Strategic leadership Leading change Creativity/ innovation		Managing performance	Presenting yourself Increasing personal power and influence

The table above shows how LSIS programmes map to the key leadership and management skills identified in this research project. We now discuss areas within each programme where there is evidence of clear targeting of needs as well as opportunities for considering revisions to programme content to meet emerging needs.

Aspiring Principals and Senior Leaders Programme (APSLP)

The target group of this programme are senior managers – for example, deputy principals – whose next career step would be to assume the responsibility for running a complex learning and skills provider in the role of a principal or equivalent.

The programme seems strong on promoting strategic thinking and providing sector context. It is less clear how far its current content stretches beyond the further education sector. The sector leaders and stakeholders interviewed were divided about the desirability of sector-specific focus for the APSLP. Some would prefer the programmes to retain a strong sector-specific focus, while others would like to also have the opportunity to learn from and interact with senior managers and leaders from other sectors.

Areas of content with growing importance due to recession are connected to the emerging significance of developing commercial perspectives, innovation, and partnership working. Similarly, given the increased importance of performance management, APSLP could become even more strongly performance-focused, for example, by incorporating information on what makes a high-performance organisation in challenging economic times.

It is difficult to judge the degree of reflection and challenge that the programme presents to participants as a result of group work and contact with senior leaders. It is also unclear how far the programme equips participants with the necessary knowledge, skills and competences for taking tough decisions such as cost cutting, rationalising offers, and embarking on major re-organisations. There is potential to develop some content on managing conflict. Since the ability to manage change effectively becomes critical at this level, and particularly during a

recession, APSLP's case study is rightfully challenging and deals with difficult and sensitive staff issues, such as those of redundancy. Handling mergers and redeploying staff or making major changes in how the curriculum is delivered might also be worth considering.

Lastly, since delegates participate in this programme partly in order to consider the major career transition to principal, some more explicit career planning aspect of programmes at this level might also be helpful.

From Management to Leadership

This programme is aimed at senior managers/leaders in the independent work-based learning sector, as an important part of the learning and skills sector outside FE. The structure of this programme covers several of the skills areas identified in this project. The main emphasis is on strategy, leading teams, and the self as leader. Operational and sector specific issues (e.g. leading learning) are embedded in other aspects of leadership which are likely to be very helpful at this stage. Much of the value comes from the group work in this programme, so LSIS may wish to consider how the group work could reflect changing economic pressures and the type of facilitation required to make this effective. Evidence presented in this report suggests that there are blurred boundaries between leadership and management, so it may be worth considering changing the programme title to acknowledge that senior leaders still require management skills.

Routes to Success (R2S)

R2S is a fast-track programme for high-performing middle managers. It is based on a personalised approach involving coaching, group work and a range of leadership and career development workshops. Some of the workshops are shown in Table 5.1. They focus on developing strategic thinking and personal effectiveness skills and both these aspects are critical for middle management.

It is at this level that the research finds there may be greatest need to adapt programme content to meet emerging skills needs. Both stakeholder/sector leaders and case study interviews identified middle managers, most of whom come from the sector and have limited experience of working in other contexts, as a key target group in need of development. Additional skills required include staff engagement and empowerment skills; competence in applying rigorous performance management and cost-cutting measures, including handling redundancies; financial management, including use of funding sources and budgeting/resourcing skills; efficient contract management and procurement; and partnership working with other learning providers and stakeholders. These are areas where the emerging view is that there is scope for developing a more integrated training offer for middle managers, who have also to become more multi-functional as a result of likely reductions in the number of management posts.

Leadership in Practice (LIP)

This programme is aimed at helping middle managers increase their impact. The programme's strong emphasis on people management corresponds with the role and tasks performed at this level. LIP includes coaching and team building, which are key for middle managers. LIP's emphasis on change management is also likely to be appropriate as is the link to impact and goal setting. The emerging importance of skills in tracking, interpreting and even predicting policy directions suggests that LIP's module on leading policy and stakeholder analysis are important.

It is not possible to ascertain how well LIP addresses the issue of dealing with poor performance and ensuring managers are equipped with skills to attain high-quality, customer-focused service delivery. It may therefore be possible for LIP to include more content on risk management, especially since middle managers are often responsible for maintaining and improving service quality. Other content areas for consideration are skills in working with partners, including the possibility of the programme providing a comprehensive understanding of the issues and challenges involved, especially with partners and stakeholders such as local authorities, which might become more important in the light of the changing economic and policy context.

It is difficult to gauge, from the written materials, the extent to which programmes at this level start to present participants with more demanding challenges or help them increase their self-awareness, and LSIS may want to review whether the programme content reflects the breadth and scale of demands that managers and leaders might face in the current economic context. In particular, impact on others and on delivering results through others are important to management and leadership success, and middle management is the stage at which those who become more aware of their impact on others start to show more leadership.

5.3.3   Bespoke provision

LSIS is currently focusing on developing provision that can be tailored to an individual institution or group of organisations in order to respond to demands from the sector. The main objectives of bespoke provision are to match content to fit particular provider circumstances, and ensure training is effective in addressing identified skills needs. The focus for LSIS bespoke provision is to complement and support the training activity that is already taking place in the sector. The aim of LSIS is not to supplant the work of the Association of Colleges (AoC) or other networks or organisations, but instead to support the sector in achieving its goals.

LSIS has recently aimed to develop leaders and senior management teams that are flexible and responsive, and able to take others with them at times of change. For example, LSIS runs courses to support developments around e-learning and leadership, while it has also provided greater support for coaching. LSIS would be keen to continue providing such support, but budget constraints may create more limitations for provision of coaching and mentoring than for classroom-based learning.

Looking at possibilities for future bespoke provision, a development need identified by individuals during the case study visits was for strategic planning and horizon scanning and, crucially, for engaging all levels of staff in this process so as to ensure greater ownership of the strategic plan. This is particularly important in the context of transformational leadership (as discussed in Chapter 3). This may require detailed contextual understanding of individual organisational circumstances and therefore require bespoke support for very challenging specific circumstances during a recession, e.g. making redundancies or changing organisational structures. Supporting middle and junior managers in change management and in adapting to new ways of working and functioning within the organisation may also be helpful.

A new kind of provision, focused around building capabilities in collaborative and partnership working, called the resource utilisation offering, is discussed below, as an example of a sector-led approach to development provision around leadership and management in a recession.

Resource utilisation – a new approach

Looking for a new approach in bespoke provision, LSIS is currently developing an offering around resource utilisation. This is not a programme or a course, but uses the ideas and capacity of providers, while rewarding them for their time, to disseminate good practice and support networking. Under this approach, a provider which considers that they have good practice in a specific area of resource utilisation and wants to disseminate that practice across their own and other similar organisations, could do so with LSIS support by bidding for LSIS funding. As the approach is in development, the report cannot review it as such, but we can outline some possibilities it may offer.

It aims to achieve two main outcomes, both of which relate to leadership and management skills required for managing in a recession. These outcomes are:

- To promote effective resource utilisation across the learning and skills sector, e.g. through:

  - effective procurement
  - exploring cost-saving options such as shared services
  - reviewing the curriculum to ensure it is fit for purpose
  - successfully utilising technology for business purposes.

- To develop collaborative and partnership working across and beyond the learning and skills sector and encourage networking.

This new approach is intended to allow LSIS to identify particular topical issues which can then be promoted as development needs for providers. For example, resource utilisation has been identified as a key theme in support of the skills and qualities which managers and leaders in the learning skills sector need during a recession. Aspects of resource utilisation such as effective procurement, exploring cost-savings options and partnership working were also identified during the stakeholder and sector leader interviews as skills whose importance increases in a recession.

The approach also allows the sector to set its own specific priorities, and to network and develop links with other providers, either locally or in similar curriculum areas. Consequently, the resulting provision, which will be delivered by the sector, will promote learning to an agenda set by the sector but within an overarching framework developed by LSIS. It is hoped that such an approach will give an incentive to providers to collaborate and, through their shared learning experiences, improve the quality and efficiency of provision. It could prove a useful model which both helps the sector set its own agenda, and acts as an effective way of promoting inter-institutional learning and collaboration, which are, in turn, seen as vital for dealing with increased competition.

5.4   Conclusions about LSIS open and bespoke management and leadership development provision

The LSIS programmes reviewed include the main skills and competences covered by leadership and management development programmes across all sectors but with a specific focus on the learning and skills sector. This was found to be of significant value to the participants in the research.

LSIS programmes place emphasis on the self-development of leaders and have various ways of helping leaders reflect on their own skills and plan their own development. These core programmes are supported by a raft of other modular offers in management skills and issue-based courses. There are also programmes covering a range of leadership skills for leaders working in specific contexts.

LSIS provision has developed in a different, more favourable economic climate and could therefore slightly adjust its focus so that it is those skills and competences that become more important in times of financial crisis. This does not mean that the skills required by senior and other managers in the sector's providers will change. However, the relative emphasis between different skills will shift. The content of the vision, strategy and implementation plans of providers has to reflect external constraints and necessitates an increased focus on managing performance and budgets. In view of this discussion, our selective review of some LSIS programmes leads to the following conclusions:

- **The emphasis on organisational performance topics, in both leadership and management courses, could stretch managers further, requiring them to think about the concept of developing and managing high-performing organisations**. Experts interviewed for the project reported that being able to develop and maintain a quality offer that is value for money is critical for survival in the current climate. Colleges and other providers will have to operate at the same or better quality levels with less resource, although the reductions in funding are not likely to be spread uniformly. For example, spending cuts may disproportionately affect adult education and Train to Gain funding. As a result, maintaining quality of provision when budgets are being cut is going to be a central challenge. Leaders will have to strike a fine balance between class sizes and investment in teaching, at the same time as exploring other cost-effective methods of teaching delivery such as blended learning.

- Managing the performance of people may need to adjust its emphasis on process to setting a culture of high performance. For example, a module on 'HR Performance Management' could be adapted to focus on future expectations about individual performance rather than HR processes. **The material in the programmes about developing others and coaching could be contextualised in terms of how they will help managers and leaders 'do more with less'**. Middle managers in particular will need to actively work with individuals and teams to raise performance and, address areas of weakness. This is an area where, according to sector leaders, middle managers tend to lack the necessary skills, and even confidence. In general, there seems to be greater need for skills in budgeting, finance and performance management, particularly at junior and middle levels of management.

- **Material around innovation and creativity could be refocused to include activities aimed at developing a commercial/ entrepreneurial mindset amongst leaders and managers**. Greater commercial awareness and entrepreneurship were identified as important by interviewees. Specifically, looking for new markets/ revenue streams will be a key challenge for leaders in the learning and skills sector for which they need both commercial acumen and real understanding of current and potential customers and clients (companies as well as individual learners). Linked to this is the need for a better understanding of the intricacies of various funding methodologies and the need to use these strategically, rather than on a reactive and ad hoc basis.

- **The resource utilisation offer is a potentially exciting one that could offer greater opportunities for peer learning on the basis of 'live' organisational solutions** to challenges facing the sector. It also has the potential to address the views of some expert interviewees that learning from work-based situations is highly valued and could be strengthened even further in LSIS provision.

6.   What can be learned from comparable providers of public sector management and leadership development?

Key findings

The management and leadership provision of the NHS Institute for Innovation and Improvement and the National Police Improvement Agency have a slightly different focus from that of LSIS.

The NHS Institute's programmes focus more on outcomes than on skills. In doing so, they tend to provide different ways of learning how to achieve things, rather than clearly delineated skill sets. NPIA's approach focuses on leadership rather than management, with the outcome sought being effective leadership.

The NHS Institute's provision is underpinned by a clear leadership framework and is closely aligned to the sector's main agenda, the Quality, Innovation, Productivity, Prevention Agenda (QIPP).

Like that of LSIS, both NHS Institute and NPIA provision is segmented according to specific groups in the target population, from graduates to board members and members of under-represented groups. The NHS Institute has a specific programme to attract leaders from other sectors.

The NHS Institute has started to focus on the skills needed for Total Place by working more closely with bodies from other sectors. The NHS Institute, NPIA, regional development agencies (RDAs) and the Leadership Centre for Local Government have commissioned a new joint executive programme.

NPIA primarily runs national programmes, which individual forces can use free of charge.

Many of the trainers working for the NPIA are secondees from the police force; as a result, the NPIA is perceived to have a high level of sectoral ownership.

Both the NPIA and the NHS Institute are focusing on enhancing provision around financial management skills.

There is also an increased emphasis on staff management and engagement. For example, the NHS Institute has recognised the critical importance of staff commitment to national agendas.

As part of the review of LSIS provision, the project also considered leadership and management development programmes of other comparator bodies, namely the National Health Service Institute for Innovation and Improvement (NHS Institute) and the

National Police Improvement Agency (NPIA). In the sections below we discuss some of the programmes of the NHS Institute and NPIA, and their underpinning philosophy, in an attempt to compare the LSIS's approach to that of similar bodies.

6.1   The National Health Service Institute for Innovation and Improvement (NHS Institute)

In the sub-sections below, we outline the NHS Institute's current management and leadership programmes, their structure, content and delivery and, finally, recent and future changes in its provision.

6.1.1   Overview of the NHS Institute's current provision

The NHS Institute's purpose is to develop new ways of working, new technology and world-class leadership to support the transformation of healthcare for patients. All of the NHS Institute's work is intended to support the QIPP (quality, innovation, productivity, prevention) agenda. The NHS Institute is responsible for some elements of leadership and management development in the NHS including:

- The graduate intake through the **NHS Graduate Management Training Scheme**.

- Bringing leaders in from other sectors through the **Gateway Programme**.

- The **National Breaking Through Programme**, which is a positive action programme aimed at developing advanced leadership and managerial skills of senior BME managers and clinicians.

- **Board-level development**.

- Some aspects of **medical leadership**.

Since a large amount of leadership and management development for people in the middle of their careers is the responsibility of the individual NHS trusts or the strategic health authorities (SHAs), the NHS Institute tends to focus on those areas that are national priorities, but less likely to be met by such local activities.

The NHS Institute designs quality improvement and operational change programmes such as the **Productive Ward Programme** (based on lean-thinking philosophies) which include elements for managers and leaders. There is also a **Productive Leader programme**, which applies these ideas to the work of managers and leaders.

To date, the primary role of the NHS Institute in these programmes has been their design and procurement, but this is currently shifting to include delivery. To this end, the NHS Institute works closely with other health focused bodies such as the SHAs and the National Leadership Council to identify and deliver appropriate development opportunities to the sector's managers and leaders.

6.1.2   How NHS Institute provision is structured, organised and delivered

The work is structured into the five themes described above, with those responsible for each stream of provision designing and commissioning programmes, as necessary. **Board-level development provision** includes developing tools and frameworks such as a diagnostic tool for reviewing board effectiveness and a leadership competency framework. Development programmes here include a strategic financial leadership programme, the Academy for Large Scale Change and Executive Coaching. In the **Breaking Through stream**, there are programmes designed for different levels of people from 'Top Talent' through to Strategies for Success for those starting out on management careers.

The **board-level development programmes** represent priorities that have emerged from discussions and research with NHS trusts and other industry bodies. Specifically:

- The **Academy for Large Scale Change**, run in 2009, was particularly targeted at how to create change in the large complex system of the NHS, its communities and partner organisations. The Academy was designed to provide leaders with a grounded theory of large-scale change in order to be confident, competent and, ultimately, effective in their leadership actions. The Academy aimed to provide knowledge, models, theories, frameworks, networks and support in order to bring about more effective, faster and more sustainable change. It was based around a formal structure of six two-day events plus an extended four-day summer event over a 12-month period, supported by sessions with coaches during the six to eight weeks between events. There was no formal curriculum; instead, the Academy was designed to be responsive to external events in order to meet participants' needs.

- The **strategic financial leadership programme** is designed to help finance directors deliver their roles within the context of strategic organisation decision-making (see Section 4.1.3 on recent changes in NHS Institute provision).

- The **executive coaching programme** is focused on helping new chief executives into their roles effectively (four sessions are provided for each new chief executive).

One of the interesting facets of the NHS Institute's programmes is that they seem to be **more focused on outcomes rather than skills**. In doing so, they tend to provide **different ways of learning how to achieve things, rather than clearly delineated skill sets**. As a result, the programmes use a range of learning methods, including content delivery, action learning sets and projects, coaching, on-site support, best practice visits and e-learning modules. That said, a **leadership framework** is used to inform their activities. This is currently being updated to reflect the increased focus on the cost/quality agenda.

Figure 6.1: NHS Institute Leadership Qualities Framework

Setting direction

Broad scanning

Political astuteness

Intellectual flexibility

Drive for results

Seizing the future

Personal qualities

Self-belief
Self-awareness
Self-management
Drive for improvement
Personal integrity

Leading change through people

Collaborative working

Holding to account

Effective and strategic influencing

Empowering others

Delivering the service

Source: NHS Institute for Innovation and Improvement

6.1.3   Recent changes in NHS Institute's approach to provision

Since July 2009 the NHS Institute has started to change its business model from primary concern with **design** of provision to a focus on **delivery**. The rationale behind this shift was feedback from NHS trusts asking for support from the NHS Institute to help them implement good ideas to have maximum impact.

An example of this shift is the **Productive Ward programme**, which began with the NHS Institute designing a set of tools and methods that NHS trusts could use to implement **lean approaches** on wards. A large number of trusts then approached the Institute looking for support and help in how to use these tools. To respond to these sector demands, the NHS Institute began to develop its own capability to offer such support and is currently creating a separate business unit for this purpose. Table 6.1 shows the types of support that the Institute is now offering organisations. The latter pay an annual membership fee, which varies according to the comprehensiveness of the package.

Table 6.1: Productive Ward Membership Packages

Standard Membership	Module implementation training (MIT) for project leader and ward leader plus one additional person per trust (four non-consecutive days training, each approximately five weeks apart)	
	Regular WebEx clinics with a clinical facilitator for problem-solving and advice	Cost: £8,000
Accelerated Membership In addition to the standard membership support outlined above, organisations can also expect to receive:	Executive team support	
	Project support training for project leader and ward leader (two non-consecutive days training)	
	Module implementation training (MIT) for up to eight additional people per trust	
	Advice to help set up an implementation and training programme to allow for rapid spread	
	External clinical facilitator support at Trust level (three days support' spread over months 3 – 6).	Cost: £25,000

The NHS Institute is currently **designing a curriculum for improvement capabilities** with qualifications ranging from NVQ to PhD level. Segmenting the workforce by occupational/ qualification level is enabling them to develop and deliver provision that caters for different learner needs. They are also considering **how to deliver learning in a low-cost, low-carbon way**. They have started using **virtual learning options** such as Second Life as well as traditional e-learning solutions, but are conscious that e-learning approaches are not in themselves sufficient and that not all staff have access to ICT.

One new programme is an **Innovation Programme** as part of which the NHS Institute is funding **study visits** to the USA to examine aspects of its health system and organisation. So far, staff from four organisations have undertaken study visits, each looking at a service aspect that is of particular interest and linked to the QIPP agenda.

A recently launched training offer is the **programme for finance directors**. This new programme is trying to help the finance directors think about financial decisions in a strategic context; to help them to deal with more limited resources than in the past; and to enable them to work more closely with other board-level colleagues. The programme encourages finance directors to look at the business needs of the organisation and how they can work together with other fellow directors to address these more effectively. It is a ten-day (in two, five-day blocks) programme run by CASS Business School.

6.1.4   Future changes of NHS Institute provision

The major challenge in the future is the £20 billion funding gap in NHS finances whose impact will be felt for many years. As in the learning and skills sector, there is a whole **generation of NHS leaders whose entire careers have formed in a period of budget growth** and who have no experience of downsizing and tight fiscal constraints. Even for those who have experience of previous recessions, the magnitude of the current crisis and need for remedial action in terms of budget consolidation is quite unprecedented. Faced by such a need to contain/cut budgets, the automatic reaction is often one of decreasing expenditure on learning and development activities. Consequently, the major challenge is to help people focus and respond smartly to this unprecedented crisis, while enabling them to cope effectively with the existing (demographic) changes in the population and their needs for care.

All development programmes are now being aligned closely with the QIPP Agenda, which has, in turn, highlighted a number of areas on which to focus such programmes in the future:

- **Quality improvement techniques** for managing change and for operational management will be essential. ('Improvement skills are the new operational management skills.') These include understanding capacity, demand, variation and flow, and how to measure these effectively.

- **Financial management skills** for being able to identify return on investment and how to take money out of the system, rather than just creating increased capacity.

- **Leadership skills to motivate and engage all individuals** in the change process. The command and control model, which has been prevalent in the NHS, will not work in such circumstances. As a result, the Institute is drawing on the ideas of 'social movements' to energise and engage people as well as draw out their discretionary effort.

- **NHS trust boards also require new skills**, including the ability to understand the business/sector they are in, since many of their members are new to the NHS. Although such diversity in board membership brings distinct positive advantages, it also has the downside of a lack of in-depth understanding of the sector. Board members also need to learn how to measure the business effectively using the clinical intelligence systems, i.e. dashboards and management information systems. Financial and analytical skills will be key both for them and for executive managers.

- **Clinical leaders will be key to bringing about real changes** in behaviour because they are highly influential. **Being able to make the case for change from a clinical perspective** will be critical, as will their ability to present results to the public, media and politicians. As a result, skills in these areas will become increasingly important.

- **Leadership at ward level** will also be critical, with a focus on identifying change champions and role models, and equipping them with the ability to gain commitment from wider staff groups. These frontline leaders additionally require the ability to teach others how to effect changes.

- **Understanding and exploiting new technologies**, including medical technologies, will be essential to both drive costs down and allow people to work more efficiently across boundaries, as well as to help people learn new ways of doing things.

As in the learning and skills sector, the NHS Institute has started to focus on **the skills needed for Total Place** by working more closely with bodies from other sectors. For example, the NHS Institute, in partnership with NPIA, RDA, and the Leadership Centre for Local Government, has commissioned a **new joint executive programme** aimed at bringing together leaders from all these sectors, so that they learn how to work collaboratively and across boundaries. Similarly, the NPIA and the NHS Institute have started to take part in the Peer Review programme of the Improvement and Development Agency (IDeA) among local authorities. This entails having peer review panels which can include not only IDeA, but also NPIA and NHS staff to promote 'joined up' thinking and enhance learning between the various organisations.

The Institute is also examining how existing programmes can support the Cost/Quality Agenda in the NHS, e.g. through the Board tool diagnostic, improving the performance of the Board, and **refining and aligning (rather than developing new) training provision** so that it meets the skills needs of managing in an economic downturn.

6.2   National Police Improvement Agency (NPIA)

In the sub-sections below we outline the NPIA's current management and leadership programmes, their structure, content and delivery and, finally, recent and future changes in its provision.

6.2.1   Overview of NPIA current provision

There are ongoing curriculum developments under way for the National College of Police Leadership. The objective for the NPIA is:

"to work with the police service to develop leaders who are equipped with the skills to meet the challenges of policing, with one of the key hallmarks being its focus on an ongoing two-way dialogue with the service to ensure leadership programmes are in-step with current needs."

The target group for NPIA's provision ranges from middle to senior management. There is a specific leadership or management course for all posts equal or senior to chief officers, and equivalent police staff. For some grades, multiple programmes are available. The roles listed on the NPIA website range from chief superintendent to constable working towards being a sergeant.

The NPIA primarily runs **national programmes** which individual forces can use **free of charge**. Bespoke training can also be provided on an ad hoc basis which requires police forces to pay.

Leadership pathways include courses and training programmes with a range of purposes, including positive action and a 'high potential' scheme. The majority of courses, however, are aimed at post-probationary constables with the purpose of supporting career progression. The police force has a number of different, clearly defined roles, and promotion usually involves some combination of interview, tests and references. Leadership and management provision is designed to meet the needs of individuals for the interview and the exams associated with the relevant promotion.

Other courses are in place with the specific function of encouraging staff from under-represented groups to progress in their career with the police, e.g. the Positive Action Leadership Programme (see Section 4.2.2).

6.2.2   How NPIA provision is structured, organised and delivered

The leadership development programme at the NPIA is structured around three leadership domains. The domains, which came out of the formal review of the NPIA's leadership and management provision in 2008/09, are:

- Professional Policing
- Executive Policing
- Business Policing.

The **Professional Policing Domain** deals primarily with operational policing matters, although 'strategic management of intelligence' is also considered. This domain covers the following additional aspects of policing: incident command; doctrine and history of UK policing; criminology, sociology and socioeconomics; operational risk management and health and safety; and international policing. This domain is mostly for police constables and frontline management staff.

The **Executive Policing Domain** is concerned with the social and political aspects of leadership and management, including personal leadership and emotional intelligence; governance; tripartite and government strategic working; partnership working; political acumen; stakeholder management; ethical policy; and doctrine of leadership. This domain becomes more important as individuals move into middle management.

The **Business Policing Domain** deals with the strategic and technical business aspects of management, including managing and using resources; financial planning; business planning; strategic people management; demand management; utilising ICT, science and technology; marketing, communication and influencing; performance management and continuous improvement; and equality and diversity. This domain is mainly for senior managers in the police, and was included at the request of the Home Office.

NPIA has developed large national programmes designed to both support and encourage promotion through the grades as well as ensure the police has the best possible leaders. Examples of such leadership programmes include:

- **Core Leadership Development Programme** – designed to support promotion from constable level upwards. This is particularly appropriate for 'post-probationary constables, acting and existing sergeants, inspectors and police staff members corresponding grades'.

- **Foundation for Senior Leadership Programme** – aimed at police officers and police staff operating at the chief inspector level and working towards superintendent/chief superintendent level.

- **Positive Action Leadership Programme** – aimed at members of under-represented groups in the police service up to inspector or police staff grade equivalent. The programme aims to provide knowledge, skills and motivation to encourage those from minority groups currently under-represented in the police to consider career progression in the service.

- **Senior Leadership Programme** – designed for the development of superintendents in their current role, and for those aspiring for promotion to chief superintendent, addressing challenges faced by today's senior officers.

One facet of the NPIA's approach is the **focus on leadership rather than management.** Some case study interviewees from the learning and skills sector mentioned that management came first and then leadership was added to the courses for the sector, but the reverse seems to be true for the police. When discussing leadership programmes, **effective leadership is the outcome sought**.

6.2.3   Recent changes to NPIA provision

During 2008 and 2009, the NPIA undertook an **extensive formal review of its provision**. This was not in direct response to government or financial requirements, but aimed to ensure that the provision was meeting the needs of the police. The NPIA website clearly describes the process of review. For example, the revision of the Core Leadership programme involved an extensive stakeholder consultation with members of various police forces, and was supported by the National Product Reference Group.

In addition, the Chartered Management Institute and the Institute of Directors are listed as national qualification routes that underpin the **NPIA's modular approach to learning**.

Significantly, **many of the trainers working for the NPIA are secondees from the police force** and police staff, making the NPIA a body which is seen to be owned by the police. The review ensured that all the programmes running were those that the sector wanted.

However, the police, like the learning and skills sector, are facing cuts in public sector spending as a result of the recession. Consequently, changes in NPIA provision are being considered at the moment, and their impact will be felt in future management and leadership development programmes.

6.2.4   Future changes to NPIA provision

In the coming year, the NPIA is reviewing all its courses to both **assess the extent to which financial and business management skills are included** and, if necessary, **enhance the relevant content**. This will take place across all development courses run by the NPIA, not just those in the area of leadership and management. This development is a result of the cuts in public sector spending, and the ensuing **greater need to budget effectively**.

At present, NPIA is facing a number of challenges that are likely to have an impact on the type of management and leadership development provision it will be able to offer. These can be summarised as follows:

- Currently, NPIA offers executive coaching, involving matched funding from NPIA on a 50/50 basis. Forces are beginning to report that they are unable to afford their side of the funding, and staff participation is reducing.

- In the police culture, attending a training course is sometimes viewed as an 'obstruction' from work, since the police's main priority is to maintain the safety of the public, and the link between a training course and a safer society is not always clear to individual police officers. With the potential for fewer staff in the future, forces are less likely to release their staff for training, which can be time-consuming, even if they are not paying course fees.

- As the NPIA relies on secondees from the police force, the reluctance of forces to enable individuals to attend training may extend to secondments, putting the delivery of some of the NPIA provision at risk.

- Some forces currently do pay for private provision in leadership and management. Given that the NPIA's provision is likely to stay free at the point of delivery, the NPIA may see a greater demand on its courses from forces that are interested in management and leadership development but were previously paying private providers to deliver this training.

- It is envisaged that the **number of courses the NPIA currently offers will fall**, as the demand for certain courses drops. There is no specific plan to deal with this, as the NPIA will set the range of its courses based on demand.

- There is currently an offer for 'high-potential' individuals who may progress to be senior leaders in the police. The recession could mean that individuals currently in senior positions are less likely to leave, while the police has to restructure and function with fewer staff. The upshot of this may be the lack of sufficient career opportunities for these 'high-potential' individuals, or others looking for promotion.

- Currently, there is a backlog of individuals hoping to join the police force who have passed the exam to be a police constable, but for whom there are no vacancies available. The number of people waiting for posts is likely to increase since the popularity of policing as a career may rise during recession due to its perceived job security. The restructuring taking place in the police at the moment may reduce job opportunities for these individuals for some time.

6.3   Conclusions

NHS Institute and NPIA leadership and management development provision have a slightly different focus from LSIS. NHS Institute provision is more closely targeted at an agenda of quality and innovation in line with the organisation's remit and it has recently started to deliver more development provision. It is working in a sector where responsibilities for management and leadership development provision are shared between a number of different bodies. Much of the NPIA provision is geared specifically to enabling police staff to meet the demands of promotion procedures. The NPIA has the ability to run national programmes and delivers a relatively small amount of learning as bespoke provision.

Like LSIS, however, both comparator organisations target programmes at some of their key staff groups. There are a number of similarities between possibilities for change in management and leadership development provision among the comparator bodies and implications of the research findings from the project for LSIS.

- **Focus on financial** management – like LSIS, the NHS Institute is providing more support to leaders in this area and the NPIA is reviewing course content for adequate business and financial management coverage.

- **Focus on staff management and engagement** – the NHS Institute has recognised that building staff commitment to national agendas will be critical to their implementation.

- Skilling up leaders for the **Total Place initiative** – the joint executive programme is one to which LSIS could make a key contribution.

- **Time pressures for learners** are likely to affect the level of commitment they can make for development interventions, especially in the police, and this may need to be considered in designing appropriate modes of learning delivery.

- Using **secondees as trainers**, as in the NPIA, may enable deputy principals or other managers in colleges, to gain some experience that can help with promotion. Secondments could also be a way of ensuring that the expertise of past principals, who do not seek complete retirement, is used effectively.

7.   Conclusions

7.1   Introduction

This chapter provides a summary of the main findings and conclusions from the report. It outlines the skills required to lead and manage during recession and a period of decreasing public sector spending in the learning and skills sector, and makes recommendations about leadership and management development provision in response to the changing needs of the learning and skills sector.

In Chapter 3 the report outlined changes in the nature of management and leadership required over time and in changing economic contexts, with a focus on implications for the learning and skills sector, and considered the implications for skills needs through a selective review of relevant literature. The report then used empirical evidence to identify reported changes in management and leadership skills by sector experts and practitioners, including managers and leaders. LSIS management and leadership development provision was then considered in the light of potential changes in the skills needs of managers and leaders across the learning and skills sector. It was also considered in the light of the kinds of adaptations that other providers, including comparator bodies – the NHS Institute for Innovation and Improvement and the National Police Improvement Agency – are making.

7.2   Is any overall change needed in management and leadership philosophy and skills?

The literature identified that models of leadership have evolved over time from a top-down 'command and control' approach to more distributed and devolved styles, which may be particularly appropriate in parts of the learning and skills sector. While command and control or 'transactional' forms of leadership may be necessary for addressing a particular short-term issue, they are unlikely to be sustainable in the long term. Transformational models, although they may take longer to embed, are likely to provide greater sustainability through generating collective staff commitment. However, the literature is relatively generic in its depiction of effective leadership, which is role and context-specific. Models and even lists of skills may not account for variations in skills needs depending upon levels of seniority among managers and leaders.

Overall, evidence from all the different strands found that requirements in management and leadership skills do not change radically during recession or periods of reduced funding for the learning and skills sector. However, good management and leadership capability becomes more important for organisations during difficult times. Managers and leaders may need to extend or renew the range of their skills, especially at middle and junior levels, to deal with the consequences of having reduced resources. During the challenging circumstances brought about by a recession, it may be necessary for leaders and managers to adopt a style of leadership which blends elements from different models, including both short and longer-term techniques and strategies.

7.3   What are the specific management and leadership skills needed during recession?

The skills identified through the literature review and primary research as required during a recession are:

- strategic thinking and planning
- partnership working
- change management and staff engagement skills
- performance management of individuals and teams
- business acumen
- financial management skills
- procurement and commissioning skills.

7.3.1   What do these skills look like in practice?

Strategic thinking and planning

- Planning is partly required to sustain the organisation during times when senior leaders are looking more to the future, but is also particularly important for middle and junior managers within a system of distributed management.

- Constantly reviewing the organisation and its abilities, and reinventing the organisation based on where funding is available and in what form, was seen to be a particularly important behaviour for management and leadership during difficult financial circumstances.

- Having the confidence to reinvent the organisation and being able to take the staff with you is an important skill. It requires strategic thinking, identifying future growth areas and making sure that the organisation is in a position to exploit those opportunities.

Change management and staff engagement skills

- It is important to have an understanding of the process that individuals go through whilst change is happening (uncertainty, fear, acceptance, etc.) and ways of helping people at different stages.

- Project management skills will be needed by managers as all change consists of one or more projects.

- Individuals also identified qualities such as resilience and tenacity as being important in situations of change.

Financial management

- Financial management becomes important because of the focus on providing 'more for less', and the changes caused by the replacement of the LSC. There will be major change in the funding of FE providers, and they will need to deliver more provision with fewer resources.

- Financial management, and ensuring budgets are achieved, was seen as a critical skill for all managers. Junior and middle managers in particular were identified as benefiting from greater training in this area. One middle manager said, "*It is my responsibility to know where the money goes; you need a healthy understanding of the bottom line.*"

Performance management

- Managing staff performance was regarded as particularly important during a recession, as motivating and getting the best from staff can be particularly challenging when they are under pressure.

- For senior managers, this was more likely to be expressed as skills in performance management and, at middle and junior levels, as motivational skills.

Collaboration and partnership working

- Senior managers, but also middle managers, recognised that in the future one organisation may not be able to provide an entire service, so collaboration (with other colleges, schools, private providers or clients) will be necessary to deliver successful solutions.

- This leads to the need for a skill set in which getting things done through influence rather than authority becomes even more important, where sharing ideas and responsibilities grows in importance, and where an ability to manage more complex and ambiguous relationships is important because one day an organisation may be a competitor and on another a collaborator.

Other issues

- The focus on supporting equality and diversity among staff and learners as well as the delivery of service may be lost during a recession. The predominance of male leaders following a merger of two colleges or other FE organisations suggests that potentially precarious or difficult circumstances result in a default or traditional choice of leader. This creates risks for the development of a diverse talent pool for the long term and may fail to reflect sufficient diversity in teaching leadership at a time when diversity among learners is increasing.

7.3.2   How do skills needs vary between different parts of the sector and among different staff groups?

- Financial management skills needs were found most broadly across all levels of seniority of staff.

- Entrepreneurial and commercial skills needs as well as understanding of the changing learning and skills policy context were most commonly identified among middle and junior managers.

- Smaller providers were most likely to need to develop skills in partnership working, including contract management and negotiation skills.

- Colleges may have greater skills needs in handling performance management issues than other parts of the sector. Middle managers in FE colleges may have greater strategic planning skills needs than middle managers in other parts of the sector.

7.4   What are the implications of the research for LSIS management and leadership development provision?

- Many aspects of LSIS provision, including 'hot topic' policy seminars, are valued by participants. Interviewees felt it was important to be 'up to date' with current policy decisions and understand how these would affect their organisation. They felt LSIS seminars on these topics helped them to see what could happen in the future, and therefore improved skills in planning and developing strategic foresight.

- In terms of learning methods, interviewees valued the wide and mixed range of approaches in LSIS provision, including project work, learning sets, individual assessment and coaching/tutoring. Budget constraints may create more limitations for provision of coaching and mentoring than for classroom-based learning, although such individual interventions and bespoke provision are popular with learners.

- More modularised, 'bite-sized' learning on key topics is gaining in popularity as managers throughout the learning and skills sector find they have less time to take part in development activities due to resourcing constraints in a recession.

- The resource utilisation offer for bespoke learning is a potentially exciting one that could offer greater opportunities for peer learning on the basis of 'live' organisational solutions to challenges facing the sector by offering organisations the chance to bid for funds to showcase and share good practice with others. It also has the potential to address the views of some expert interviewees that learning from work-based situations is highly valued and could be strengthened even further in LSIS provision.

Interviewees also suggested some possibilities for the content and delivery of LSIS provision:

- A module on 'HR Performance Management' could address future expectations about individual performance rather than HR processes. Programme content on developing others and coaching could be contextualised in terms of how it will help managers and leaders 'do more with less'. Middle managers in particular will need to work closely with individuals and teams to raise performance and, if necessary, manage out poor performers. This is an area where, according to sector leaders, middle managers tend to lack the necessary skills, and sometimes confidence.

- Junior and middle managers felt they wanted more provision around financial management and budgeting, particularly if they had occupied a teaching role prior to their management position. This could be an area of expansion for LSIS provision for junior and middle managers.

- Greater commercial awareness and entrepreneurship were identified as very important areas for CPD provision by interviewees. Specifically, looking for new markets/revenue streams will be a key challenge for leaders in the learning and skills sector for which they need both commercial acumen and real understanding of current and potential customers and clients (public and private sector organisations as well as individual learners). Linked to this is the need for a better understanding of the intricacies of various funding methodologies and the need to use these strategically.

Interviewees were interested in bespoke provision that is tailored to their needs, and those who had experienced LSIS bespoke provision were keen to have further development in this format. Provision that is tailored by LSIS to suit particular FE organisations or groups of organisations was a popular suggestion and interviewees felt it would be particularly valuable during a recession.

7.5   Overall recommendations for meeting skills needs

The clearest recommendation from this research is that it should be seen as a call to action, to ensure that the skills needs for leaders and managers in the learning and skills sector are met.

In order to meet the skills needs discussed above, the following recommendations have been identified:

- **Communicate the findings and implications of the research to LSIS staff** involved in the planning and delivery of provision and **more broadly across the sector**. This could help to raise awareness of the skills required during a recession to lead and manage in the learning and skills sector, and so it may contribute to the development and design of in-house provision for FE organisations.

- **Use the research findings to audit LSIS leadership and management development provision**. This will help to ensure that the skills needs being met correspond with those identified by sector leaders and stakeholders.

- The **management and leadership skills identified as requiring development may be important for curriculum design criteria** and developing the content of bespoke provision with organisations in the learning and skills sector, as well as for informing the content and delivery of major programmes.

- **Creativity and innovation are important for successful leadership and management in the learning and skills sector during a recession**. These skills should be part of other training programmes for issues such as financial management and procurement to ensure they are developed holistically.

- **Maintaining equality and diversity of leadership and management are particularly important during a recession to ensure that organisations do not revert to a traditional models of leadership**. This creates risks for the development of a diverse talent pool for the long term and so equality and diversity must remain a priority for organisations in the learning and skills sector. Recruiting and retaining a wide range of staff, including managers, can help to bring new ideas and different approaches to the sector to aid the recovery, while diverse methods of management and leadership, upholding the philosophy of transformational and distributed leadership and management, will support the development of the sector through the recession.

7.6   Recommendations emerging from review of comparable public sector management and development providers

Using the review of comparator bodies, the following suggestions for developing future management and leadership development provision in the learning and skills sector emerge:

- **Explore the possibility of using secondees as trainers within the sector**. This is currently used effectively by the NPIA to ensure that trainers are up-to-date with practice, and to support the development of members of the police force. The NPIA felt it may be difficult to continue this policy during a recession, but it may be a way of supporting those in middle or senior management who cannot progress because they feel they need to stay in post during a recession.

- **Support the FE sector to play a full role within the Total Place initiative** as a development tool to support leaders and managers in the learning and skills sector, but also to ensure that FE is effectively represented within Total Place.

- **Maintain support for technology** that assists with leadership and management within the learning and skills sector during recession, following the example of the NHS Institute, which is making use of ICT developments.

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Appendix 1: Detailed recommendations for LSIS management and leadership development provision

The LSIS programmes reviewed cover the main skills and competences covered by leadership and management development programmes across all sectors but are developed/taught within the particular context of the learning and skills sector. This aspect of LSIS provision was mostly valued by participants interviewed.

LSIS programmes place emphasis on the self-development of leaders and have various ways of helping leaders reflect on their own skills and plan their own development. These core programmes are supported by a raft of other modular offers in management skills and issue-based courses. There are also programmes covering a range of leadership skills for leaders working in specific contexts.

LSIS provision has developed in a different, more favourable economic climate and could therefore slightly adjust its focus so that it is those skills and competences that become more important in times of financial crisis. This does not mean that the skills required by senior and other managers in the sector's providers will change. However, the relative emphasis between different skills will shift. The content of the vision, strategy and implementation plans of providers has to reflect external constraints and necessitates an increased focus on managing performance and budgets.

Content of LSIS provision

In view of this discussion, our selective review of some LSIS programmes leads to the following conclusions:

- The emphasis of organisational performance topics in both leadership and management courses could stretch managers further to think about the concept of developing and managing high-performing organisations. Experts interviewed for the project reported that being able to develop and maintain a quality offer that is value for money is critical for survival in the current climate. Colleges and other providers will have to operate at the same or better quality levels with less resource, although the reductions in funding are not likely to be spread uniformly. For example, spending cuts may disproportionately affect adult education and Train to Gain funding. As a result, maintaining quality of provision when budgets are being cut is going to be a central challenge. Leaders will have to strike a fine balance between class sizes and investment in teaching, at the same time as exploring other cost-effective methods of teaching delivery such as blended learning.

- Managing the performance of people may need to shift further in emphasis from process to setting a culture of high performance. For example, a module on 'HR Performance Management' could refocus on future expectations about individual performance rather than HR processes. The material in the programmes about developing others and coaching could be contextualised in terms of how they will help managers and leaders 'do more with less'. Middle managers in particular will need to work very actively with individuals and teams to raise performance and, if necessary, manage out poor performers. This is an area where, according to sector leaders, middle managers tend to lack the necessary skills, and even confidence. In general, there seems to be greater need for skills in budgeting, finance and performance management, particularly at junior and middle levels of management.

- Material around innovation and creativity could be refocused to address the need to develop a commercial/entrepreneurial mindset for leaders and managers. Greater commercial awareness and entrepreneurship were identified as very important by interviewees. Specifically, looking for new markets/revenue streams will be a key challenge for leaders in the learning and skills sector for which they need both commercial acumen and real understanding of current and potential customers and clients (companies as well as individual learners). Linked to this is the need for a better understanding of the intricacies of various funding methodologies and the need to use these strategically, rather than on a reactive and ad hoc basis.

Marketing

- Signposting and navigation through the list of LSIS management and leadership development offers could be refined and clarified, given the large variety of provision on offer. The range of courses/modules is very broad, and some interviewees reported difficulty in identifying the most appropriate course/module.

Delivery

- In terms of learning methods, a fairly wide and mixed range of approaches are used, including project work, learning sets, individual assessment and coaching/tutoring. Indeed, the use of mixed learning methods is an aspect of LSIS provision that interviewees highly valued.

- The length and structure of some LSIS programmes, especially those targeted at senior managers, could be revisited. These have usually limited time, and a more modularised, 'bite-sized' learning on key topics would be more suitable to their needs, which was expressed as a wish in a number of sector leader interviews.

- LSIS might want to consider a more modularised approach to management and leadership development that caters for the specific needs of the role and focus of a particular manager. For example, some managers might not need a full module (e.g. on employee relations); rather, such topics could be offered as part of more specialist modules to managers who need an in-depth understanding. Likewise, although for many managers, environmental issues could be covered in a more general resource management module, some managers' roles may need more in-depth knowledge. Crucially, such a differentiated approach to course content and length (one covering more basic/general topic-related issues, and one providing more in-depth, specialist knowledge) will be linked not to the level of a manager's job, but to the focus of their role at that level. Overall, there may be a case for reducing the number of LSIS's genuinely core topics, with more in-depth offers in some function-specific areas for those who need them.

- Some programmes, such as Routes to Success, appear to have a stronger learner focus with a mixed set of learning interventions to match content needs with delivery. These may be more expensive for LSIS to deliver in future and LSIS may wish to consider how to retain the strengths of delivery while running the programmes in an even more cost-effective way.

- Some of the courses for which demand has been lower (e.g. career workshops) could be partially built into programmes rather than being stand-alone offers. However, such workshops may become more popular in the current cost-cutting climate, where people are more likely to face serious career transition decisions and LSIS may wish to consider market appetite for these programmes.

- The resource utilisation offer is a potentially exciting one that could offer greater opportunities for peer learning on the basis of 'live' organisational solutions to challenges facing the sector. It also has the potential to address the views of some expert interviewees that learning from work-based situations is highly valued and could be strengthened even further in LSIS provision.

Key choices about the future

On the basis of the above discussion as well as our interviews with other providers of management and leadership development programmes (see next Chapter), some choices emerge for LSIS's future direction of provision that one should bear in mind when designing the next generation of leadership and management development offers.

Generic versus context-specific development

Some current leadership programmes – indeed some of the most successful – are based around a specific context or major field of work (e.g. 14–19). It may be helpful, where parallel programmes are offered for people working in different settings, for this to be more evident alongside the 'ladder' concept. This would allow for the fact that, at some career stages, people or institutions might like to use a more context-specific offer covering similar management and leadership skills. It is likely that context affects some topics much more than others, e.g. the scene-setting parts of strategy and the delivery of teaching and learning. Many other aspects of leadership are likely to be less specific to setting within the broad remit of LSIS. If bespoke work increases (see below), general programmes could be contextualised quite flexibly.

Programmes for under-represented groups

Several current offers exist because of finance to target development on certain groups, especially BME managers. It is not clear from the data we have seen that these courses have high demand, or that they will be easily sustainable under future funding regimes. LSIS should be aware of the long-term risk of aspects of equality and diversity becoming less important in the current climate, which could threaten the development of future talent pools.

Programmes and modules

Current leadership offers are a mixture of single events and programmes, although this is not immediately apparent from its list of training offers. Programmes have the advantage of developing a brand, can be easily targeted at specific groups and contain a range of learning methods. However, they are usually expensive, may face some reduced demand in the current economic climate, and demand large amounts of time from participants in covering material which may not be relevant to all participants. In the light of this, LSIS could consider focusing on fewer, stronger, programmes as a strategy for achieving more with limited resources.

Combining the idea of modules with a strong architecture of how they can be combined into programmes seems sensible. However, this can only be effective if the logic of modules is clear and if they can command significant demand. LSIS plans to consider combining core leadership programmes for key parts of the individual journey, with modules which can combine to form programmes or be taken singly.

Management and/or leadership

At present LSIS regards management and leadership provision as separate from each other. This has some advantages, especially that of playing up some important aspects of leadership, such as change management, and broadly reflects how public sector leadership and management frameworks have evolved over the past 10 years. However, the separation is somewhat artificial, as managers have to lead and leaders have to do some management. Closer integration of management and leadership frameworks and offers seems to be the way forward – mostly on grounds of simplicity and transparency. Indeed, cost pressures seem likely to accelerate this trend in the public sector.

Links to national frameworks and accreditation

LSIS is considering use of the Leadership Qualities Framework (LQF) for future programmes, while also seeking to make its offer compatible with the Chartered Management Institute (CMI) Management Standards and the LLUK's slightly adjusted version. There is a distinct advantage in being able to articulate the relationship between LSIS leadership programmes and national/sectoral frameworks such as the Management Standards and LQF). This ability of LSIS's provision to link across the public sector by mapping framework and provision to national/sectoral frameworks is important, if LSIS wishes to offer people the option to build towards accreditation of their learning. Keeping this option open seems positive, although employers in most sectors are less concerned about accreditation than about the learning itself. The models of management and leadership underpinning the LSIS provision are not very not clear and they seem to incorporate both the Management Standards and the

Leadership Qualities Framework. By drawing content into one management and leadership framework, the underpinning assumptions about management and leadership skills can be made clearer and more visible, which may provide a distinctive and attractive offering to the sector.

Open versus bespoke programmes

The market trend evident in LSIS' own performance reports and in research undertaken for this project is towards bespoke management development commissioned at institutional level. Interviews with stakeholders and sector leaders show that those working in and for the sector feel that LSIS should prioritise bespoke provision. They welcome the fact that such provision is tailored to the level, abilities and experiences of participants, as well as to the circumstances of the individual organisation. Such provision, led and informed by the sector, is seen as being responsive to the specific needs within the sector. For example, this kind of sector-informed provision could be developed through engagement with leaders and managers in the sector.

Overall, there is a strong case for LSIS to develop the bespoke market, where most providers think the growth will be in management development. Bespoke programmes can deliver good income to the provider and also cost-effectiveness to the client institution, but they do demand a specialist set of skills in marketing, client liaison, programme direction and design, efficient ways of tailoring products and very skilful facilitators. They can become demanding to deliver in the current climate where clients are exerting strong downward pressure on pricing.

Different learning methods

Current LSIS courses appear to receive positive client feedback on flexibility to respond to participants' issues during events, even where traditional 'classroom' teaching is the method of delivery. Some programmes use personalised learning methods more than others. These are at risk for financial reasons.

In tough times, individuals especially value the chance to meet others 'in the same boat' and work on shared issues. Indeed, our stakeholder/sector leader interviews show that, in general, the action learning and reflective type of activities of some LSIS programmes are highly valued as is the focus on shared/group problem-solving. Learning set type approaches tend to be highly appreciated by individual learners, although employers may seek more efficient delivery of content, so providers need to have a clear rationale for the importance of this method of learning. Other providers interviewed suggest that a search for 'value for money' on behalf of clients can tend to over-pack programmes with content and reduce the time for challenge and reflection, which is vital in leadership development.

E-learning has a place in supporting reading and private study but seems not to be growing apace in leadership development. Over-reliance on e-learning as a future delivery mechanism would not be wise in relation to management and leadership skills, despite its cost-effectiveness and flexibility.

Mode of delivery was mentioned by a number of interviewees, as an area in which respondents would like LSIS provision to be more innovative. Modes of delivery could include, for example, more action learning, "bite-sized" learning on key topics, facilitation of internships and secondments to other providers, shared problem-solving approaches, and more mixed modes of delivery within a longer course.

There is a case for LSIS to keep and strengthen elements of personalised and workplace-based learning, which are especially important in management and leadership. These will need to be provided in more cost effective ways through employing institutions to provide coaching; projects at work; using new technologies for enabling dialogue between learners.

Brand

The overall brand that LSIS provision is trying to project is not yet clear. Where courses have been well received, these seem to: (i) have had a sufficient shelf-life to become familiar; (ii) be strongly linked to key FE issues (e.g. 14–19 diplomas); or be characterised by a clear programmatic appeal. A reputation for high-quality trainers is also key.

In future, LSIS might wish to run some short-term and very specific offers against medium-term issues in the sector (such as delivering workforce development) and long-running core programmes. Many institutions do adopt this approach, but use a brand that can accommodate the diversity of offers. Examples of the kinds of brand LSIS might pursue could include: highly responsive tuition; provision that is cheaper than general management colleges but of high quality; quick response to issues; provision strongly linked to the sector's most topical and pertinent issues; degree of challenge provided. Some choices will need to be made here about the overall image LSIS wants for its training and these have to consistent with delivery, pricing and the learning environment.

Appendix 2: Interview guides

INTERVIEW SCHEDULE FOR SECTOR LEADERS

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies in partnership with the Learning and Skills Network and The Work Foundation to identify the kinds of management and leadership skills needed to cope with the effects of financial pressures across the sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the sector who are facing challenging times ahead.

We would like to gain your expert view on the nature of any change(s) taking place in needs relating to management and leadership skills, knowledge and behaviours and how LSIS might best respond by developing its leadership and management development provision.

INTERVIEWER: Give assurance of anonymity and confidentiality. Remind interviewee they can stop the interview at any time. Ask if any questions? Check permission to record the interview.

Name of interviewee
Position of interviewee
Name of organisation
Type of organisation
Address
Contact telephone
e-mail address
Date of interview
Time of interview
Duration
Interviewer

I.   BACKGROUND INFORMATION

To begin, we'd like some background information about you and your organisation.

1.   Could you give me a brief description of your organisation (e.g. size of staff, number of learners, curriculum areas, sources/volume of funding etc.) role?

2.   What is your job title? Can you give me a brief description of your responsibilities?

3.   Can you give me a brief description of your career history covering types of roles you have undertaken?

4.   Do you have previous experience of managing an organisation during difficult financial circumstances? (Probe on cause – national recession, individual organisational finance problems, public sector spending cuts).

II.   VIEWS ON LEADERSHIP AND MANAGEMENT SKILLS NEEDS

This project is focusing on whether leadership and management skills needs are changing as a result of financial pressures in the learning and skills sector.

5.   What do you believe are the major challenges that the learning and skills sector faces?

PROBE:
- decreased employer spending
- decreased public sector spending
- increased competition within the sector
- capital budget reductions
- new Quality Assurance processes
- new funding structures
- increase in collaboration between the various types of providers
- other non-financial challenges

6.   What do you think are the sector's major needs in skills, knowledge and behaviours for managers and leaders in the current economic environment?

[NOTE TO INTERVIEWER: tick any that the interviewer mentions from the attached sheet]

PROBE for
- examples of exactly what the interviewee means by each type of skill/knowledge/ behaviour
- any variations in needs by type of organisation e.g. WBL, FE etc.
- any variation in needs by management function e.g. learning/tuition, support functions e.g. Finance, HR etc.
- variation in needs by seniority of management – senior, middle, junior
- any skills needs which are ongoing but which have grown in importance over the past 12 months (and why)
- any skills needs which are declining in importance over the past 12 months (and why)
- any variation in skills needed to cope with
  a.   public sector spending cuts
  b.   financial constraints affecting individual organisations
  c.   national effects of recession

7.   Please can you tell me whether you think these needs in skills, knowledge and behaviours will change over
     a. the next 6 to 12 months
     b. the next 3 to 4 years?

8.   Please can you tell me which 3 or 4 of the different skills, knowledge or behavioural needs you have identified are the most important for the sector? These can be different for different levels of seniority, management functions and types of organisation within the sector.

9.   What development activities would you find helpful to improve your effectiveness as a leader/manager during potentially difficult financial circumstances over the next year or so?

10. What types of development activities would you recommend for middle and junior managers to obtain the skills and qualities they need to deal with difficult financial circumstances?

III.   VIEWS ON LEADERSHIP AND MANAGEMENT DEVELOPMENT PROVISION

It would be helpful to learn something about your own experience of management and leadership development activities and your views on current provision.

11. Can you give me a brief overview of the main management and leadership development activities you have undertaken in the past five years?

     PROBE on:
     ● name of provider
     ● type of provision
     ● subject/topic of intervention
     ● whether accredited
     ● who paid
     ● whether subsidised

     IF INTERVIEWEE MENTIONS LSIS GO TO SECTION 4:

     IF INTERVIEWEE DOES NOT MENTION LSIS GO TO Q12:

12. Are you aware of LSIS management and leadership development provision? If yes go to q13, if no go to q23 and then close.

13.   Have you ever used LSIS management and leadership development provision? Why/why not?

PROBE ON:
- perceptions of effectiveness
- for those who have used provision in the past but no longer do so, why?

If interviewee is AWARE OF but has NOT used LSIS management and leadership development provision, go to SECTION 4.

If interviewee is NOT aware of LSIS management and leadership development provision, go to Q23 and then close.

IV.   LSIS MANAGEMENT AND LEADERSHIP DEVELOPMENT PROVISION

The purpose of this project is to identify how LSIS might consider adapting its management and leadership development provision to meet changing needs in the sector.

14.   What do you know about the range and type of management and leadership development provision that LSIS offers?

15.   What do you think are the strengths and weaknesses of LSIS leadership and management development provision in meeting the sector's current skills needs?

PROBE ON:
- strengths/weaknesses in content and delivery
- gaps in provision

16.   How, if at all, do you think LSIS' leadership and management development provision could be improved to meet the future skills needs of the sector?

PROBE ON:
- skill areas in which you do not use LSIS because you see other suppliers as meeting skill needs better?
- any emerging skill areas where you feel no potential supplier is really addressing the need?

17.   To what extent do you think the content and delivery of LSIS management and leadership development programmes and courses matches up to changing needs in your sector?

18.   Overall, how relevant do you think LSIS provision is in meeting the sector's management and leadership needs?

19. Have you talked to any LSIS staff about your changing individual or organisational needs? Why/why not?

   PROBE: If YES,
   - how did this discussion take place?
   - what are the outcomes of this discussion?
   - how satisfied are you with LSIS' response?

20. How proactive do you perceive LSIS to be in seeking to understand the needs of its customers for management and leadership development provision?

21. How responsive do you perceive LSIS to be to the needs of its customers for management and leadership development provision?

22. Would you recommend LSIS management and leadership development provision? Why/why not?

23. What do you think LSIS should prioritise over the next 6 to 12 months in terms of its management and leadership development offerings?

24. Do you have any suggestions for adaptations LSIS should make management and leadership development offerings both over the coming year and in the next two to three years?

25. Do you have any further comments to make in relation to the LSIS management and leadership development offerings?

THANK YOU AND CLOSE

INTERVIEW SCHEDULE FOR STAKEHOLDERS

Name of interviewee
Position of interviewee
Name of organisation
Type of organisation
Address
Contact telephone
e-mail address
Date of interview
Time of interview
Duration
Interviewer

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies in partnership with the Learning and Skills Network and The Work Foundation to identify the kinds of management and leadership skills needed to cope with the effects of financial pressures across the sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the sector who are facing challenging times ahead.

We would like to gain your expert view on the nature of any change(s) taking place in needs relating to management and leadership skills, knowledge and behaviours and how LSIS might best respond by developing its leadership and management development provision.

INTERVIEWER: Give assurance of anonymity and confidentiality. Remind interviewee they can stop the interview at any time. Ask if any questions? Check permission to record the interview.

I.   BACKGROUND INFORMATION

        To begin, we'd like some background information about you and your organisation.

        1.   What is your job title and role in the organisation? Could you give me a brief description
                of the organisation's role in relation to the learning and skills sector?

II.   VIEWS ON LEADERSHIP AND MANAGEMENT SKILLS NEEDS

        **This project is focusing on whether leadership and management skills needs are
        changing as a result of financial pressures in the learning and skills sector.**

        2.   What do you believe are the major challenges that the learning and skills sector faces?

PROBE:
- decreased employer spending
- decreased public sector spending
- increased competition within the sector
- capital budget reductions
- new Quality Assurance processes
- new funding structures
- increase in collaboration between the various types of providers

3. What do you think are the sector's major needs in skills, knowledge and behaviours for managers and leaders in the current economic environment?

[NOTE TO INTERVIEWER: tick any that the interviewer mentions from the attached sheet]

PROBE for
- examples of exactly what the interviewee means by each type of skill/ knowledge/ behaviour
- any variations in needs by type of organisation e.g. WBL, FE etc.
- any variation in needs by management function e.g. learning/tuition, support functions e.g. Finance, HR etc.
- variation in needs by seniority of management – senior, middle, junior
- any skills needs which are ongoing but have grown in importance over the past 12 months (and why)
- any skills needs which have declined in importance over the past 12 months (and why)
- any variation in skills needed to cope with
  a. public sector spending cuts
  b. financial constraints affecting individual organisations
  c. national effects of recession

4. Please can you tell me whether you think these needs in skills, knowledge and behaviours will change over
  a. the next 12 months
  b. the next 3 to 4 years?

5. Please can you tell me which 3 or 4 of the different skills, knowledge or behavioural needs you have identified are the most important for the sector? These can be different for different levels of seniority, management functions and types of organisation within the sector.

6. What types of development activities would you recommend for senior, middle and junior managers to obtain the skills and qualities they need to deal with difficult financial circumstances?

7.   What, is your relationship with LSIS?

PROBE:
● awareness of management and leadership development offerings;
● use of provision (just yes or no at this stage)?

If interviewee has used LSIS management and leadership development provision, go to SECTION 3.

If interviewee is AWARE OF but has NOT used LSIS management and leadership development provision, go to SECTION 4.

If interviewee is NOT aware of LSIS management and leadership development provision, THANK and CLOSE.

III.   LSIS DEVELOPMENT OFFERINGS – USER VIEWS

The purpose of this project is to identify how LSIS might consider adapting its management and leadership development provision to meet changing needs in the sector.

8.   What do you think are the strengths and weaknesses of LSIS leadership and management development provision in meeting the sector's current skills needs?

PROBE ON
● strengths/weaknesses in content and delivery
● gaps in provision

9.   How, if at all, do you think LSIS' leadership and management development provision could be improved to meet the future skills needs of the sector?

PROBE ON:
● skill areas in which you do not use LSIS because you see other suppliers as meeting skill needs better?
● any emerging skill areas where you feel no potential supplier is really addressing the need?

10.   If you have known LSIS for a while as a customer of its learning and development services and products, do you think its offerings have already been adapting to changing needs? Why do you say that?

11. Have you talked to any LSIS staff about your perceptions of changing individual or organisational needs? Why/why not?

     PROBE: If YES,
     ● how did this discussion take place?
     ● what are the outcomes of this discussion?
     ● how satisfied are you with LSIS' response?

12. How proactive do you perceive LSIS to be in seeking to understand the needs of its customers for management and leadership development provision?

13. How responsive do you perceive LSIS to be to the needs of its customers for management and leadership development provision?

14. Would you recommend the LSIS management and leadership development offerings? Why/why not?.

15. Which management and leadership development offerings do you think LSIS should prioritise over the next 6 to 12 months and why?

16. Do you have any suggestions for adaptations to LSIS management and leadership development offerings both over the coming year and the next two to three years?

THANK AND CLOSE

IV.   LSIS DEVELOPMENT OFFERINGS – NON-USER VIEWS

17. You said earlier that you had not used any LSIS leadership or management development provision. Can you tell me why this?

18. What other sources of leadership or management development provision do you use?

19. Is there anything could LSIS do to make its leadership or management development provision more attractive to you?

20. Which management and leadership development offerings do you think LSIS should prioritise over the next 6 to 12 months and why?

THANK YOU AND CLOSE

Case Study Interview Guide – Senior Managers

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies in partnership with the Learning and Skills Network and the Work Foundation to assess management and leadership skills, knowledge and behaviour needed to cope with the effects of financial pressures across the sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the sector who are facing challenging times ahead.

This interview will focus on skills required for effective leadership and management in periods of both economic growth and difficult financial circumstances. It would be very helpful to the research if you could provide examples of how you have used or how you have seen others use these skills. LSIS plans to disseminate the findings and recommendations from this project and we will, of course, make sure that they are shared with you.

The interview should last between 45 minutes and an hour. Your answers will be treated in strict confidence by the research team and will not be attributed to you in any way.

Thank you for your time and contribution. Your input is extremely valuable in ensuring that our research is properly informed and your views represented.

Background

Please confirm your name and tell me a bit about your role here at (XXXX)?

How long have you been at this organisation and/or in a senior management role?

Probe: their experience before coming to this college if a leader elsewhere, whether they rose through the college management structure, etc. Also a brief description of their organisation e.g. size of staff, number of learners etc.

Skills required for management and leadership

What skills and qualities would you say are also important for effective leadership and management for an organisation like yours? Could you provide a few examples?

Note to interviewer – check these off the attached sheet of skills and ask about any not directly mentioned by the interviewee

Of these, which are the 2-3 (not more than 4) most important for effective management and leadership of an organisation? What has led you to this view? Could you provide an/y example/s?

Probe: have these skills changed over the past 2-3 years or are they broadly the same?

Management and leadership during periods of difficult financial circumstances in national, public sector, and individual provider contexts

Do you have any specific experience of managing an organisation during a period of difficult financial circumstances? Was this difficult financial circumstance a national recession, public sector spending cuts, or reduced funding for your organisation?

What would you say are the key skills required for effective leadership and management during difficult financial circumstances? Would you be able to provide examples?

How would you say this compares with the skills and qualities required for leading your organisation during a period of national economic growth, increase in public spending or positive economic climate for the organisation? If so, how?

Would you say that the skills and qualities required for effective leadership and management during difficult financial circumstances have changed over the past 12 months? Would you be able to provide examples?

Probe: are there any skills which have specifically grown or decreased in importance

Do you think the skills and qualities required for effective leadership and management during difficult financial circumstances will change over the next six to 12 months? If so how, and what will they be in the future?

Are there any leadership and management skills that you feel will be needed to deal with the impact of public spending cuts in two or three years time?

Management at other levels

a.   We will be speaking to other levels and other specialisms of management in your organisation as you know, and given your experience at different levels of management, could you suggest any important skills and qualities required during difficult financial circumstances for middle management?

b.   And what about junior levels of management?

Other challenges

Would you say your organisation is currently experiencing any other challenges, other than financial challenges? If so, what and are there any specific skills and qualities you feel you need to deal with them?

Development needs

Turning now to your development needs and those of others in your organisation...

In order to have the skills and qualities required for effective leadership and management during difficult financial circumstances over the next year or so, what development activities would you find helpful?

What types of development activities would you recommend for both the middle and junior managers in your organisation to obtain the skills and qualities they need to deal with difficult financial circumstances?

Views of LSIS provision in providing CPD for skills needed in a recession

Have you attended any LSIS events or provision relating to the development of leadership and management skills?

How would you say LSIS provision features within the range of CPD you and your staff attend?

Probe: If LSIS provision is not a main source of CPD provision, why is that?

In relation to the skills required for management in leadership in difficult financial circumstances, that we've just discussed, to what extent do you think that current LSIS training courses and events provide opportunities to develop these skills? Could you make some suggestions as to what skills, knowledge and behaviours should be provided and how?

How could LSIS provision most effectively contribute to your development, and that of middle and junior managers in your organisation, given the context of possible financial constraints?

Probe: what would be useful/effective? What would be your ideal?

What do you think LSIS should prioritise over the next 12 months in terms of its management and leadership development offerings?

Would you recommend LSIS development provision in leadership and management to your junior and middle managers? Please explain your answer.

Do you have any further comments or questions?

Thank you very much for your participation. Please do not hesitate to contact us if you have any further questions about this research.

Junior and middle managers focus group guide

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies in partnership with the Learning and Skills Network and the Work Foundation to assess management and leadership skills needed to cope with the effects of financial pressures across the sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the sector who are facing challenging times ahead.

This focus group will focus on skills required for effective leadership and management in periods of both economic growth and difficult financial circumstances. It would be very helpful to the research if you could provide examples of how you think people use or could use these skills. LSIS plans to disseminate the findings and recommendations from this project and we will, of course, make sure that they are shared with you.

This focus group should last around an hour. Your answers will be treated in strict confidence by the research team and will not be attributed to you in any way.

Thank you for your time and contribution. Your input is extremely valuable in ensuring that our research is properly informed and your views represented.

Background

Could we just start by going around the room, and if everyone could tell us their name, position and how long they've been in post.

Skills required for management and leadership

From your perspective, what are the 2-3 important skills and qualities to be an effective leader and manager in an organisation like yours?

Management and leadership during periods of economic growth

What would you say are the 2-3 most important skills and qualities needed to be an effective leader and manager in an organisation like yours during a period of economic growth?

Probe: ask why, what experience the respondent has, and whether there are any examples of needing to use this particular skill

Management and leadership during periods of difficult financial circumstances in national, public sector, and individual provider contexts

What would you say are the 2-3 most important skills and qualities needed to be an effective leader and manager in an organisation like yours during difficult financial circumstances?

Probe: ask why, what experience the respondent has, and whether there are any examples of needing to use this particular skill

Note to interviewer: at this point ask the group to go through the previous ones, ask them about the remaining skills and qualities on the list not already mentioned and then ask them to prioritise the 2-3 most important. If they come up with different skills and qualities for this question, ask why.

a.   Do you think the most important skills and qualities will change over the next 12 months?

   Probe: when and why?

b.   What about over the next 3-4 years? Would the most important skills and qualities change or would they stay the same?

Management at other levels

Are there any other leadership and management skills and qualities that you feel senior or junior managers should have to deal with the difficult financial circumstances?

Would you say your organisation is currently experiencing any other challenges, other than financial challenges? If so, what and are there any specific skills and qualities you feel you need to deal with them?

Development needs

Turning now to your development needs and those of others in your organisation...

In order to have the skills and qualities required for effective leadership and management during difficult financial circumstances over the next year or so, what development activities would you find helpful?

What types of development activities would you recommend for both the senior and junior managers in your organisation to obtain the skills and qualities they need to deal with difficult financial circumstances?

Views of LSIS provision in providing CPD for skills needed in a recession

Have you attended any LSIS provision about leadership and management? If not, have you attended any CPD led by other providers? In light of our discussion about skills needed during a recession, do you think anything about LSIS provision for leadership and management should change? Could you prioritise these, picking the 2-3 most important areas LSIS provision should cover?

Do you have any other comments?

Thank you very much for your participation and do not hesitate to contact us if you have any further questions about this research.

INTERVIEW SCHEDULE FOR COMPARATOR BODIES

Name of interviewee
Position of interviewee
Name of organisation
Type of organisation
Address
Contact telephone
e-mail address
Date of interview
Time of interview
Duration
Interviewer

The Learning and Skills Improvement Service (LSIS) has commissioned the Institute for Employment Studies in partnership with the Learning and Skills Network and The Work Foundation to identify the kinds of management and leadership skills needed to cope with the effects of financial pressures across the sector. The purpose of the project is to recommend any change in the content or delivery of LSIS management and leadership learning provision, products or services that might better support managers and leaders in the learning and skills sector, who are facing challenging times ahead.

We would like to gain your expert view on the nature of any change(s) taking place in needs relating to management and leadership skills, knowledge and behaviours and how LSIS might best respond by developing its leadership and management development provision.

INTERVIEWER: Give assurance of anonymity and confidentiality. Remind interviewee they can stop the interview at any time. Ask if any questions? Check permission to record the interview.

I.   BACKGROUND INFORMATION

        To begin, we'd like some background information about you and your organisation.

        What is your job title and role in the organisation? Could you give me a brief description of the organisation's role as a provider of management and leadership development?

II.   VIEWS ON LEADERSHIP AND MANAGEMENT SKILLS NEEDS

        This project is focusing on whether leadership and management skills needs are changing as a result of financial pressures in the learning and skills sector.

What do you believe are the major challenges that your customers are facing which are affecting their commissioning of management and leadership development interventions? What impact do they have, and what likely effects will there be, both now and in the future?

PROBE:
- decreasing employer spending
- decreasing public sector spending
- increased competition within the sector
- are most of these issues financial? Do they focus mainly on issues that are about the recession in the broader economy, decreasing public spending cuts, and/or financial circumstances specific to the organisation? If not financial, what other challenges are there?

What do you think are the sector's major needs in skills, knowledge and behaviours for managers and leaders in the current economic environment?

[NOTE TO INTERVIEWER: tick any that the interviewer mentions from the attached sheet]

PROBE for
- examples of exactly what the interviewee means by each type of skill/ knowledge/ behaviour
- any variation in needs by management function e.g. support functions e.g. Finance, HR etc.
- variation in needs by seniority of management – senior, middle, junior
- any skills needs which are ongoing but have grown in importance over the past 12 months (and why)
- any skills needs which have declined in importance over the past 12 months (and why)
- any variation in skills needed to cope with
    a. public sector spending cuts
    b. financial constraints affecting individual organisations
    c. national effects of recession

4.   Please can you tell me whether you think these needs in skills, knowledge and behaviours will change over
      a.   the next 12 months
      b.   the next 3 to 4 years?

5.   Please can you tell me which 3 or 4 of the different skills, knowledge or behavioural needs you have identified are the most important for the sector? These can be different for different levels of seniority and management functions.

6.   What types of development activities would you recommend for senior, middle and junior managers to obtain the skills and qualities they need to deal with difficult financial circumstances?

III.   COMPARATOR BODY DEVELOPMENT PROVISION

The purpose of this project is to identify how LSIS might consider adapting its management and leadership development provision to meet changing needs in the sector.

7.   How do you decide on your curriculum offering and your ongoing curriculum development? What developments have there been as a result? Please provide example/s.

8.   Have you undertaken any formal review of your learning and development offerings in the light of the current economic climate?

PROBE ON
- format of review, who involved e.g. customers
- findings regarding strengths/weaknesses in content and delivery
- gaps in provision
- provision with reduced demand
- recommendations for change

9.   What changes, if any, have you made in your learning and development provision for managers and leaders in response to economic circumstances?

PROBE ON
- content and delivery
- evidence of impact
- customer response

10. Do you envisage making any further changes to address skills needs required to manage reduced public sector funding?

PROBE ON:
- skill areas you wish to avoid because you see other suppliers as meeting skill needs better?
- any emerging skill areas where you feel no potential supplier is really addressing the need?

11.   Which management and leadership development offerings are you prioritising over the next 6 to 12 months and why?

PROBE ON:
- any other offerings you intend to develop over next 2 to 3 years?

THANK AND CLOSE

Appendix 3: Management and leadership skills lists for use in interview discussion

Partnership working to deliver policy goals through decentralised, local services.

General commercial awareness and entrepreneurial skills related to the ability to spot and manage opportunities for expansion into new markets.

Procurement and commissioning skills, including negotiation and commercial awareness to become an expert customer, to ensure contracted services deliver value for money in the public sector.

The willingness and ability to design and work within changing organisational forms.

Financial management and risk management skills in a climate of reduced funding and potentially increased demand for services.

Workforce planning and development to meet changing service priorities and/or to align workforce capacity and capability with service needs, aligned to strategic planning.

Change management and staff engagement skills during what is likely to be a major period of change arising from financial constraints on public sector spending.

Engagement skills to promote, explain and defend decisions about priorities in public service provision which may be less generous than in the recent past due to the need to economise to address public sector debt.

Employer engagement skills.

Skills in writing bids and securing discretionary funding.

Process improvement techniques for managers to reconfigure and streamline service delivery.

ICT skills among senior staff and understanding of how to optimise curriculum delivery using blended learning, user-generated content, digital platforms and online learning environments for practitioners.

Strategic thinking and planning.

Data security management across the wider economy and protection of intellectual property.

Learning and Skills Improvement Service

The Learning and Skills Improvement Service (LSIS) aims to accelerate the drive for excellence in the learning and skills sector, building the sector's own capacity to design, commission and deliver improvement and strategic change. LSIS's vision is that every learner acquires the skills, knowledge and appetite for learning, living and working and every provider is valued by their community and employers for their contribution to sustainable social and economic priorities.

LSIS's *Strategic Ambitions* demonstrates how we will contribute to delivering core improvement principles and sets out our new ways of working to engage the sector in everything we do to make LSIS a truly sector-led organisation. You can find this document and other information about LSIS activities and services at www.lsis.org.uk

Disability equality policy

LSIS is committed to promoting equality for disabled people and we strive to ensure that our communication and learning materials can be made available in accessible formats. Please let us know if you consider yourself disabled and require reasonable adjustments made to support you.

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