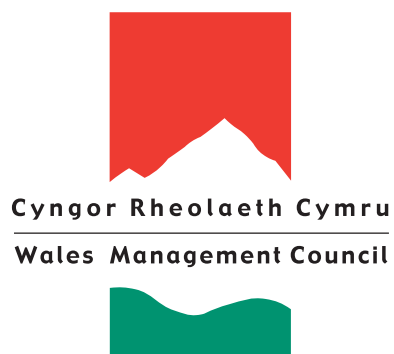


Action for Growth



A strategy and action plan for
management and leadership
development in Wales
2007-2010



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

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

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Llywodraeth Cynulliad Cymru
Welsh Assembly Government

WALES MANAGEMENT COUNCIL

Leading Wales towards excellence in leadership and management

Action for Growth

A strategy and action plan for management and leadership development in Wales 2007 – 2010

“Leadership and management is proven as the key to raising financial performance and growth of employment opportunities in all organisations. Good leaders and managers invest in the development of their workforce thus pulling through the skills agenda.”

*UK Leadership and Management Advisory Panel:
Submission to Leitch Review of Skills, October 2006*

“Good management is a prerequisite to improving business performance, a key aspect of which is effective use of workforce skills. It is managers in a business that decide on product and service strategies, whether to invest in training and how to deploy the skills of their workers. Improving management skills in the UK has two important effects: it increases the demand for skills and their effective deployment in the workplace, and it improves the overall standards of performance in organisations.”

Leitch Review of Skills: Final Report, December 2006



Observations about leadership and management development in Wales

“No one is asking for management and leadership development in small businesses, so there is clearly no market for it.”

“Management is common sense. I was born with that, and don’t need to be taught it.”

“Management development is a solution looking for a problem.”

“If managers don’t know what they don’t know, how are they going to know if what you have to offer is going to do them any good?”

“We worry about changing the hearts and minds of people who are not interested in management and leadership development, but why bother? Let them sink or swim. Concentrate on those who are interested.”

“I’ve built my business with no help from anyone over the last 30 years. What can you tell me that I don’t know already?”

“Show me that this management and leadership development stuff works, and I’ll try it.”

“NVQ, ILM, IIP, CMI, MBA, WPL, DELLS, SSC, MA, MSDA and you want me to take you seriously!”

“Why should I bother to train people. They’ll only leave to get a better job.”

“In the training supermarket, which aisle would you go down first, the one headed ‘Make more money’, or the one headed ‘People management skills’?”

“Our national strategy should be to concentrate on small successes which have a cumulative impact, not mega projects.”

“My clients know what they want, but subsidies and government targets have forced them down training paths that are largely irrelevant to them.”

“We need to rethink management and leadership development as a gym – professional equipment with professional help to tone and strengthen the flabby bits. Every business in Wales should have the equivalent of a personal trainer.”

“Businesses should be entirely responsible for investment in management and leadership training, with no public subsidy of any sort.”

“Sheep dips get rid of ticks, but by themselves they don’t make tastier lamb.”

“Public funding should be pump-priming, but we have forgotten how to make the water flow once the pump is primed.”

“We spend too much time thinking about management and leadership by measuring how much water is in the well, not whether it’s drinkable.”

“Leadership has been the “hot topic” for so long, it’s now luke warm. What really matters now is emotional intelligence, networking, corporate social responsibility, ethics, spiritual values, all summed up in an understanding of the meaning of work.”

“We talk globalisation, but are we still locked in Anglo-Saxon or Western European attitudes to management and leadership that are alien to the countries and societies that will soon dominate the business world?”

“Management development in SMEs can be described as the inappropriate in pursuit of the uninterested, so why do we bother about it all?”

FOREWORD

In his Forewords to our two previous strategic reports *Agenda for Action* (2003) and *Agenda for Growth* (2005), Andrew Davies AM, the then Minister for Enterprise, Innovation and Networks, made the following statements

There is no question that the quality of our managers in Wales has a vital impact on the performance of their businesses and organisations and on the economy of Wales as a whole.

The Welsh Assembly Government is determined that Wales will continue to grow and diversify its economy. Wales needs experienced, skilled and innovative managers and leaders to make that happen.

Since then organisations and individuals continue to assert the critical importance of good leadership and management in every business and every economy.

The CBI in their *Employment Trends Survey 2006* confirm that

People management continues to be the key factor contributing to business competitiveness – almost half employers (40%) cited this as crucial to competitive advantage at present, while 41% saw it as increasing in importance in the future.

Management skills were identified by more than half of all respondents (52%) as the most significant human resource factor contributing to business performance.

At the end of 2006 the Final Report of the *Leitch Review of Skills* states that

Good management is a prerequisite to improving business performance, a key aspect of which is effective use of workforce skills.

In Wales we have made significant progress over the last five years in moving leadership and management development higher up the policy and the delivery agenda, but in the light of the scepticism reflected in some of the comments on the opposite page, much more needs to be done.

And it is interesting and significant that the key strategic recommendations that we made in *Agenda for Action* in 2003, to raise awareness, identify needs, and enable informed choice, are reflected almost word for word in the Leitch Final Report in 2006:

The Review recommends a new offer to adults to help further embed a culture of learning across the country, ensuring everyone gets the help they need to get on in life: raising awareness and aspiration; making informed choices; increasing choice; and ensuring individuals can afford to learn.

There is much to be done: as an evolution of policies and activities that are already in place, an acceleration of current initiatives, and an exciting revolution in the way we help leaders and managers in Wales further to develop the skills that are so vital to their business and our economy. We hope that this report will make a significant contribution to that evolution and revolution.

We are delighted that in March 2007 the Cabinet Sub-committee on Jobs and Skills endorsed a paper from DELLS on Leadership and Management Development in Wales which contains many of the recommendations in this report.

Christopher Ward
Wales Management Council

July 2007

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I. EXECUTIVE SUMMARY

The strategy and action plan from 2007 to 2010 is

- *evolutionary*

it builds on, takes forward, and expands initiatives that are already in place, and

- *revolutionary*

it aims to speed up the implementation of current initiatives, and create new and innovative plans to “change the face of management and leadership development in Wales.”

The Leitch Final Report (see Chapter 10 and Appendix 7) has signalled with great clarity that current targets are inadequate if the UK is to achieve the objective of developing world class skills by 2020.

The situation in Wales is no different from other parts of the UK.

We need to set our sights higher, and accelerate the initiatives that will make a significant difference to every business, every organisation, and to the economy as a whole.

Whilst we have yet to consider the precise impact on Wales of the recommendations in the Leitch Review (which are primarily for England), there is no doubt that the “spirit” of these recommendations must and will influence our thinking and planning.

Leitch calls for a “new partnership” between government, employers and individuals.

It is the interaction between

- Welsh Assembly Government
- Sector Skills Councils
- public and private training providers, and
- companies and organisations

that will collectively contribute to the development of leadership and management skills across Wales.

This strategy embraces all four groups, and each has an important contribution to make to its implementation.

We must address issues relating to

- partnership
- the higher the skill, the greater the investment expected from companies and individuals (as proposed by the Leitch Review)
- building on the success of initiatives with a proven track record
- the importance of the Sector Skills Councils in the whole skills agenda.

The *evolution* of existing plans, initiatives and programmes, covers the following key themes:

- **Evangelism and promotion**

Develop an all-Wales promotional campaign to promote good management and leadership.

- **Diagnosis**

As a natural part of this campaign, encourage people to question their own management skills, to give greater confidence in personal strengths, and to identify weaknesses that need to be minimised.

- **Information**

All partners – information providers, Sectors Skills Councils, government, enterprise agencies, other intermediaries and membership organisations – focus on the needs of the small business end-user and collaborate to find simple solutions to the problems of a plethora of providers, a paucity of information, and difficulty of access,.

- **Workshop programmes**

Review the take-up and impact of the current workshop programme, and revise the programme (if required) to take account of individual and sectoral needs, to fill market gaps and address market failures.

- **Mentoring**

Co-ordinate the planning, promotion and implementation of a major programme to train, deploy and build a supportive network of coaches and mentors across Wales.

- **Networks**

Invest in the facilitation of learning networks within industry sectors, across supply chains, and on business parks, using “network facilitators” to start the process, who then bow out when each network is self-sufficient and self-supporting.

- **Investors in People**

Re-focus the promotion of IIP to the needs, expectations and aspirations of SMEs, and capitalise on the interest in the Leadership and Management Model as an important driver for change across Wales.

- **Investment**

Move government policy and promotion from public investment in the development of management and leadership skills, to a new emphasis on the importance of this investment being made by companies and individuals, based on clear evidence of the benefits from practising leaders and managers in all sectors.

- **Qualifications**

Review the relevance of existing leadership and management qualifications in the light of key messages from UK and sector specific strategies, and continue to recognise and promote the importance of informal learning.

- **Evaluation**

Implement regular surveys of management and leadership development activity and impact, to provide an evidence base for policy, programmes, promotion and publicity.

The *revolution* will be exemplified in new approaches to

- language
- the speed of implementation of ideas and initiatives
- the innovative nature of the solutions to the leadership and management development issues that Wales is facing.

Engagement with the market place is the key issue now, just as it was five years ago. The first step is a revolution in the language we use to talk about and promote leadership and management development.

Too much takes too long, and leads to disillusion and dissatisfaction, therefore the timelines for implementation in the following action plan must be tight and immediate.

We recommend the following ten new strategic steps to engage the market, and enhance the delivery of leadership and management initiatives across Wales:

- **Public funding: the £1000 initiative**

Set up a leadership and management development funding programme to provide a match-funded £1000 for SMEs with more than 10 staff, based on the English model that was recognised and applauded by the Leitch Review.

- **Think Tank: the voice of managers**

Create an active think tank of SME managers to provide advice, guidance, and challenge, to policy makers and programme developers in government.

- **Advice: advising the advisors**

Provide training and guidance to advisors of all kinds on leadership and management issues so that they can better develop their clients' skills.

- **Skills brokerage: find me the help I need**

Develop a network of skills brokers, based on the English model, who can provide informed and focused advice and guidance on development opportunities and funding routes.

- **Quality assurance: who's the best for me?**

Set up a central resource where those providers who wish to participate provide rolling list of on-line testimonials from their clients which can be freely accessed by the public.

- **Conferences and awards: exemplars of excellence**

Provide direct, annual support to the *Leading Wales Awards* and *Lead On* conference to ensure their continuation, and to the development of a new *High Performance Wales* award.

- **Best practice (UK): what can we learn at home?**

Maintain a watching brief on management and leadership development strategies and plans in other parts of the UK, and use best practice examples to inform our own development plans.

- **Best practice (overseas): what can we learn abroad?**

Establish strong links with key economies in other parts of the world, and through visits by them and to them, build a body of evidence to help develop our own thinking about leadership and management in a world economy.

- **Targets: what gets measured gets done**

Explore ways that are high on innovation and low on bureaucracy to set targets that will enhance the quality of leaders and managers in Wales, and give greater focus to personal ambition and development initiatives of all kinds.

- **Programme management: making the jigsaw pieces fit**

Create a leading body to drive the leadership and management agenda forward in Wales, and make this the central resource for anything and everything to do with the development of leaders and managers.

The Wales Management Council's vision, knowledge, experience and influence on leadership and management policy development over the last five years makes it well placed to take on a new leadership role to drive the leadership and management agenda forward.

The Wales Management Council, with additional resource, could be the central body to manage many of the support, advice, information and guidance functions recommended above.

To that end the Wales Management Council proposes a change of name, in due course, to the **Leadership and Management Excellence Centre (LMEC)** that describes more accurately this central and pivotal function.

2. INTRODUCTION

In 2006 the Welsh Assembly Government published the following strategic documents:

- *Wales: A Vibrant Economy*
- *A Learning Country: Vision into Action*
- Consultation on the use of Convergence Funds.

All three documents contain pointers to the importance of good leaders and managers as key drivers for economic growth.

At the end of 2006 Lord Leitch published the Final Report of his Review of Skills, entitled *Prosperity for all in the global economy – world class skills* which contained a challenging analysis and re-statement of UK's skill development needs from now until 2020.

In this new strategic report, the successor to *Agenda for Action* (2003) and *Agenda for Growth* (2005), we set out proposals for a new strategy and action plan for growth in our leadership and management capability in Wales, building on and accelerating what is already in hand, and developing new initiatives.

Part 1 explores the strategy and action plans that have been implemented to date (Chapter 3), and makes some 20 strategic recommendations, 10 of which are a development or extension of existing plans, and 10 are entirely new to Wales, though some are based on best practice examples in other parts of the UK (Chapter 4).

We then provide some detailed recommendations for the actions that are needed to implement this strategy (Chapter 5).

Finally we highlight the importance of the current Further Education Review in relation to this development agenda (Chapter 6).

Part 2 provides statistics of the number of businesses in Wales by size, with employment and turnover totals, and a SIC code analysis (Chapter 7).

And then gives a summary of the attitudes and opinions that we have gleaned in our discussions with leaders and managers in businesses of all sizes, in a wide range of sectors, which have informed our recommendations (Chapter 8).

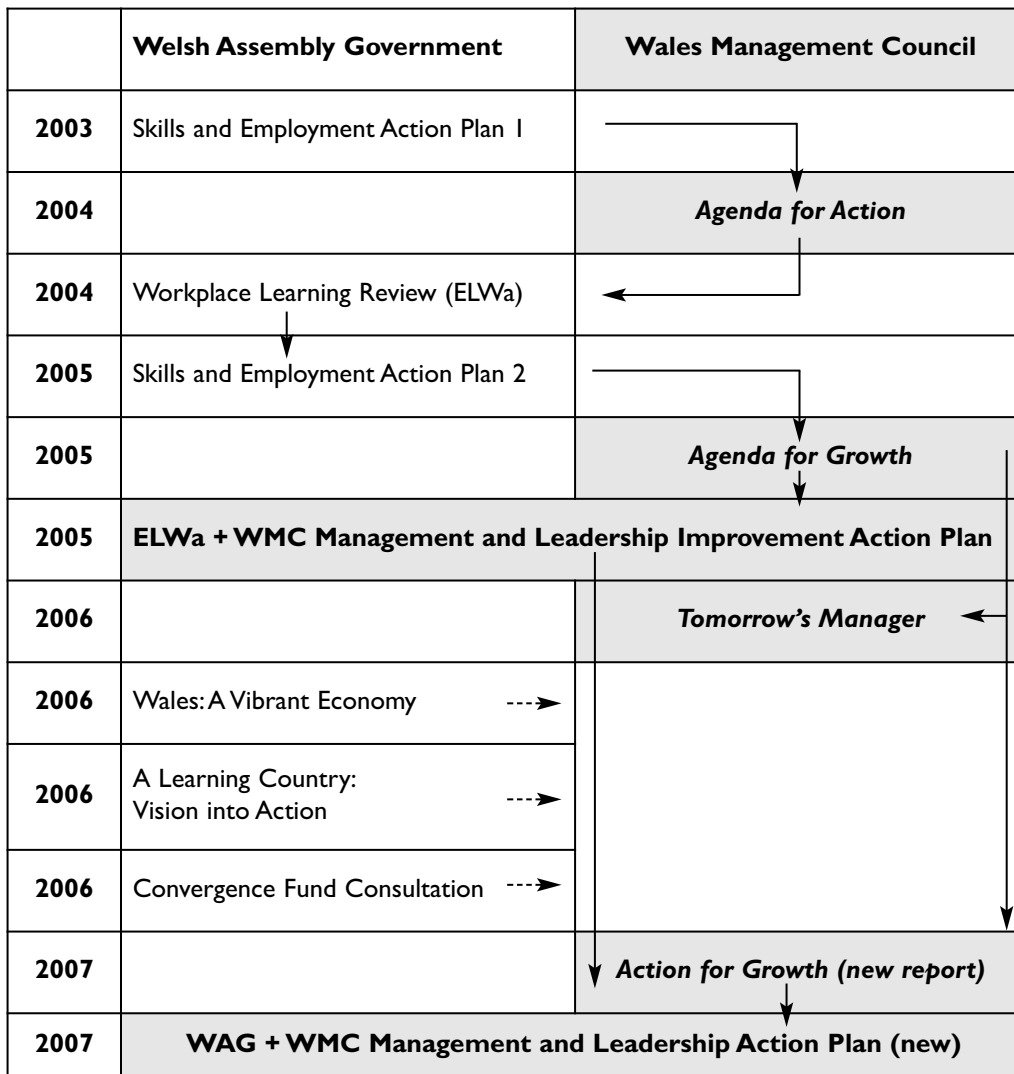
Part 3 offers a number of observations on how the activity and impact of leadership and management development in Wales might be measured. (Chapter 9).

Part 4 seeks to put our recommendations for Wales in the wider context of UK strategies reflected in the recommendations of the Leitch Final Report, the recommendations and action plan of the UK Leadership and Management Advisory Group, and the draft Management and Leadership Sector Qualifications strategy.

The three **Appendices** provide a brief overview of the **policy context** (Appendix 1), the paper on **Leadership and Management Development in Wales** approved by the Cabinet in March 2007 (Appendix 2), a summary of the 2005 **Management and Leadership Improvement Plan** (Appendix 3), and an extended summary of the key sections of the **Leitch Final Report** that relate to leadership and management issues (Appendix 4).

The chart below shows the relationship between Welsh Assembly Government policy documents and Wales Management Council publications from 2003 to 2006 as a background to *Action for Growth*.

Action for Growth is intended to be a platform on which the Welsh Assembly Government (DECWL and DET) can build a new Action Plan for management and leadership development in Wales, and underpin proposals for projects that may be supported by the Convergence Funds, both ERDF and ESF.



Part I

STRATEGY AND ACTION



3. Current Strategy and Action Plan

a. Current action plan

The Skills and Employment Action Plan 2005 mandated the Wales Management Council and ELWa to “develop an improvement plan for management and leadership development incorporating recommendations from the review of workplace learning.”

In response the Wales Management Council wrote its report *Leaders and Managers in Wales – An Agenda for Growth* which contained the following seven strategic recommendations:

- **Evangelism**

Promote management and leadership development with inspirational fervour to change hearts and minds.

- **Diagnosis**

Help managers diagnose their strengths and weaknesses, as the starting point for further development.

- **Information**

Provide comprehensive information on the management and leadership development opportunities in Wales.

- **Investment**

Change culture to focus on training and development as an investment, with a specific return, not just as a cost.

- **Networks**

Facilitate ways to help managers learn from each other.

- **Mentoring**

Train more mentors, and provide mentoring support for more managers.

- **Evaluation**

Help managers evaluate the benefits and impact of their training and development.

ELWa, and then DELLS, used these recommendations as a platform on which to build the proposals contained in the joint (with us) action plan entitled *Improving Management Development and Leadership in Wales*.

The key actions in this plan are described in Appendix 3.

The current status of the Improvement Plan is as follows:

- **Workshop programme**

£1.5 million has been committed to this programme across three years, which may well be enhanced by European Funds. 12 providers are running workshops across Wales. After just over one year the programme is being reviewed to increase impact, relevance and access, particularly in relation to specific sectoral needs.

- **Workforce learning account**

The Workforce Learning Account provides flexible support for workforce development, but would benefit from wider promotion and explanation of how it fits in to other offerings and financial support.

- **IIP Leadership and Management Model**

IIP and HRD advisers are finding significant interest in the Model from organisations who see it as way in to the IIP Standard rather than a successor to it. Wales is leading the rest of the UK in the promotion of the Model, but IIP UK are reviewing the Model itself now that the revised Standard gives greater emphasis to leadership and management.

- **IIP Networks**

DELLS has devoted much time and energy to the re-activation and promotion of IIP networks of advisors, assessors, and companies. These are paying dividends as sources of personal development, information exchange, and promotion.

- **Networks**

DELLS has funded research to map formal networks in Wales, which contains recommendations for further collaboration between networks. WAG departments are planning two conferences in north and south Wales to explore this further. The Wales Management Council is working to develop more informal learning networks in north, mid and south Wales.

- **People in Business**

This DELLS funded programme is an impressive series of events with key speakers on leadership and management topics that have been well-attended by a wide cross-section of companies and organisations.

- **Mentoring support**

DELLS funded a major report in 2006 by Cardiff Business School on mentoring in Wales, which contains a number of recommendations for the development of business to business mentors. The implementation of these recommendations forms a key part of our strategy.

- **Project management competencies**

ELWa/DELLS have funded the development of tools to help DEIN and DELLS advisors assess the project management competencies of their **clients**.

- **Provider networks**

The Workshop Programme provided unique opportunities for providers to collaborate in the delivery of SME-friendly training events. This is a valuable model for greater collaboration between providers to find cost-effective ways to engage a market that is difficult to penetrate.

- **Diagnostic tools**

In 2005 ELWa funded research, by CRG Consultancy, into diagnostic tools. Trialling of such tools in the construction sector is due to be implemented in 2007.

- **Marketing**

There have been a number of marketing initiatives focused on the Workshop Programme, and People in Business, but more needs to be done to promote the “business case” for leadership and management development.

- **Evaluation tool for SMEs**

In 2006 the Wales Management Council funded research by Cardiff Business School into Evaluation Tools for SMEs. The recommendations are contained in our report *Measuring the Difference*, and in the subsequent abbreviated version which contained an evaluation toolkit. 2000 copies of each have been distributed across Wales.

- **Programme Evaluation**

Limited evaluation of current ELWa/DELLS programmes has been conducted, but there is no mechanism or framework as yet to evaluate the impact of management and leadership development initiatives across Wales.

- **Management and Leadership Group**

The Management and Leadership Group, chaired by Wales Management Council, and comprising representatives from DELLS, DEIN, HEFCW, SSDA/SSCs, and Fforwm, meets quarterly to discuss and monitor all of the above.

b. Information provision

The Wales Management Council has initiated a dialogue with all providers of information relating to leadership and management development in Wales, to explore ways in which information on leadership and management development opportunities can be made more widely available and simplified to better meet market needs, with greater collaboration between information providers.

First discussions took place at a seminar in September 2006 with some forty representatives of the following information providers:

- Business Eye
- Cardiff Chamber of Commerce
- Careers Wales
- DEIN Mentoring, and General Support for Business
- DELLS Skills, Business and Employability Division
- Enterprise Agencies
- Federation of Small Business
- Fforwm
- Higher Education Funding Council of Wales
- Learn Direct
- Sector Skills Councils
- South East Wales Economic Development Forum
- UK Leadership and Management Advisory Panel

All delegates were supportive of the aims of the conference, and believed that the conference should be repeated on a regular (once or twice per year) basis, to build a collaborative network, assess progress and encourage further change for the better.

Key issues to emerge were:

- Is the key problem information (too much or too little), or attitudes to management and leadership development?
- Our aim must be to “take away the pain” for small businesses and help them achieve their goals.
- Part of the solution is to simplify the problem, and simplify both the support available and the mechanisms of delivery: firstly through discussion and collaboration.
- We need to help small business use resources already available, including information available on the Internet via Google.
- Quality control and quality assurance are routes to simplification, but this is challenging as it requires a weeding out of poor support.
- We need to strengthen marketing initiatives, using the language of business, not the language of trainers and academics.
- We are not engaging strongly enough with employers to help them articulate their problems, but
- Part of the problem is that businesses do not know they have one. We need to encourage businesses to take up management and leadership development opportunities and to identify, and acknowledge, where they themselves have developmental needs.
- We should consider providing information for SMEs on the productive use of the internet.
- We should consider building and facilitating networks to help people learn from each other.

A second conference will be held in September 2007 to take these ideas forward.

c. Overview

The chart on the next page presents in diagrammatic form the connections between the following strategic documents

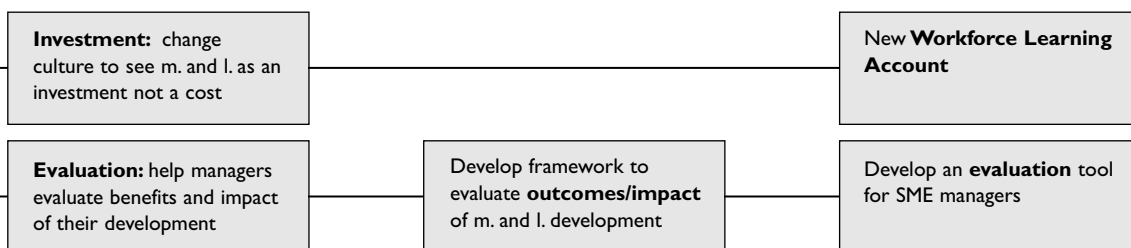
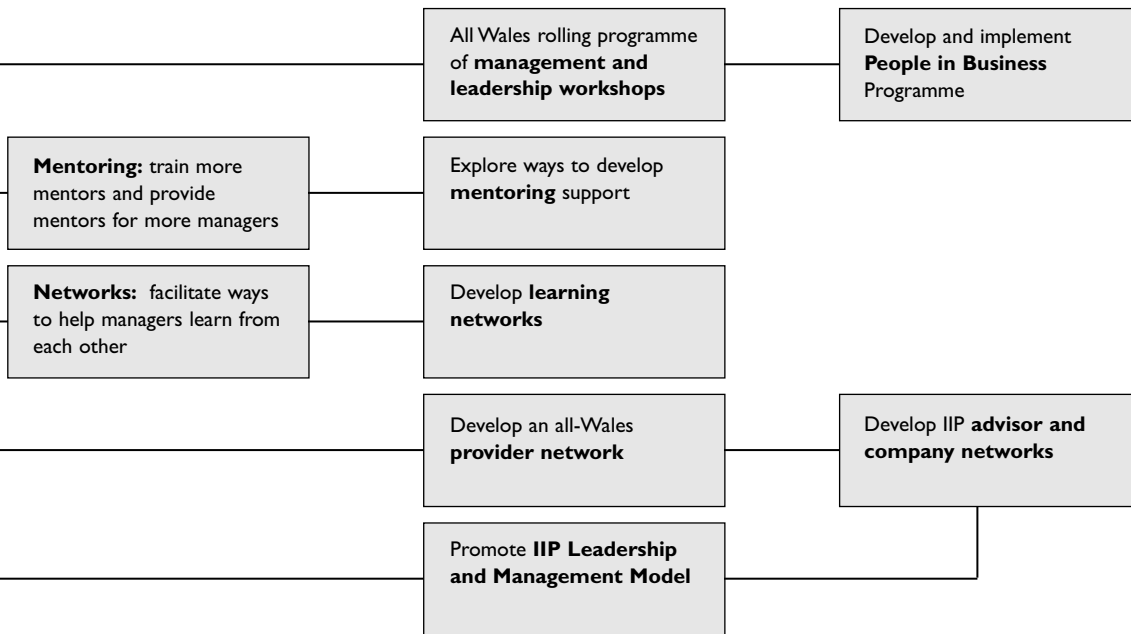
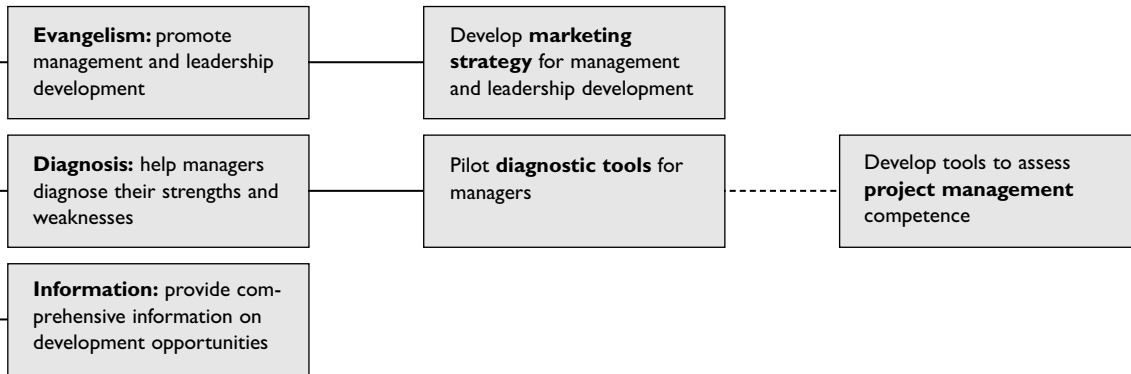
- *Agenda for Action 2003*
- *Workplace Learning Review 2004*
- *Skills and Employment Action Plan 2005*
- *Agenda for Growth 2005*
- *Management and Leadership Improvement Plan 2005*

as a platform on which to build the strategic plan for 2007 – 2010 which is explored in detail in the next chapter.



**Agenda for Action
2005**

**Management and Leadership Development
Improvement Plan
2005**



4. Strategy 2007 – 2010

a. Introduction

The charts on the two previous pages highlight the following aspects of the management and leadership development strategy since 2003:

- significant number of initiatives proposed
- continuity in some areas from one strategic plan to another
- discontinuity in other areas from one strategic plan to another
- slow implementation reflected in the year on year repetition
- little progress in evaluating outcomes and impact.

The strategy from 2007 to 2010 must address these issues by being both

- *evolutionary*: build on, take forward, and expand initiatives that are already in place

and

- *revolutionary*: speed up the implementation of current initiatives, and create new and innovative plans designed to “change the face of management and leadership development in Wales.”

The Leitch Final Report (see Chapter 10 and Appendix 7) has signalled with great clarity that current targets are inadequate if we are to achieve the objective of developing world class skills by 2020.

The situation in Wales is no different from other parts of the UK.

We need to set our sights higher, and accelerate the initiatives that will make a significant difference to every business, every organisation, and to the economy as a whole.

Whilst we have yet to consider the precise impact on Wales of the recommendations in the Leitch Review (which are primarily for England), there is no doubt that the “spirit” of these recommendations must and will influence our thinking and planning.

But the market is complex.

Leitch calls for a “new partnership” between government, employers and individuals, so it is the interaction between

- Welsh Assembly Government
- Sector Skills Councils
- training providers, both public and private
- companies and organisations

that will collectively contribute to the development of leadership and management skills across Wales, and the strategy must therefore embrace all four groups, and clearly set out their individual and collaborative responsibilities.

So issues relating to

- partnership
- the higher the skill, the greater the investment expected from companies and individuals (as recommended by Leitch)
- building on the success of initiatives with a proven track record
- the importance of the Sector Skills Councils in the whole skills agenda

must be reflected in our planning and thinking for the next five years and beyond.

b. Vision

Each one of the Wales Management Council’s previous strategic reports have set out a vision for management and leadership in Wales, which is as true now as it was in 2003.

This vision contains multiple objectives, which highlight the complexity of the market and of the agenda, which need to be addressed in a number of interconnecting ways.

There is no single “silver bullet” answer to these issues.

<ul style="list-style-type: none"> • Recognition <p>The leadership and management potential of each individual is recognised as a key asset in every business and organisation.</p> <ul style="list-style-type: none"> • Admiration <p>Leadership and management capability is admired and talked about.</p> <ul style="list-style-type: none"> • Understanding <p>Leadership and management qualities are understood in terms of business imperatives and success, not academic definitions.</p> <ul style="list-style-type: none"> • Continuity <p>Leadership and management development is seen as a continuous, natural process, driven by business need, not the imposition of esoteric skills and arcane practices.</p> <ul style="list-style-type: none"> • Commitment <p>Managers are committed to self-improvement for the good of their business and organisation, and personal satisfaction.</p> <ul style="list-style-type: none"> • Choice <p>Managers can make an informed choice about the leadership and management development opportunities that are best for them and their business or organisation.</p>

- **Sharing**

Managers want to share the benefits of their learning and development experience, and best practice, with others.

- **Lifelong learning**

Leaders and managers are nurtured throughout the education system, and through a continuous programme of lifelong learning.

- **Competencies**

The competencies and skills necessary to make businesses and organisations grow are given a higher priority than the qualifications they may lead to.

- **Provision**

The provision of training and development support, from whatever source, is wide-ranging (in level and content), flexible (in the time, duration, and location of delivery), relevant (to business and organisational needs), makes a measurable difference (to individuals and organisations), and these attributes define quality.

- **Funding**

Public funding regimes for leadership and management development reflect and support this provision by being wide-ranging (in type and beneficiary), flexible (in amount and timescale), relevant (with outcomes oriented to business and organisational success), and make a measurable difference (to both individuals and organisations).

- **Informal development**

Public funding is made available for both formal and informal development activities and is not restricted to support for the attainment of qualifications.

- **Information**

Information on the providers and provision of management training and development support, and funding mechanisms, is made widely available.

- **Monitoring**

The provision and impact of leadership and management development is monitored annually.

- **Co-ordination**

Government, public agencies and other official bodies in Wales act as a coordinated team in support of the delivery of this vision so that managers experience a seamless and easily understood route to developing their skills.

c. **Evolution**

We must invest time and energy to build on the following ten key strategic themes that we have started to address in the last four years

- Evangelism and promotion
- Diagnosis

- Information
- Workshop programmes
- Mentoring
- Networks
- Investors in People
- Investment
- Qualifications
- Evaluation.

In all of these there is much work still to be done to develop strategic thinking and turn this into meaningful action.

The following paragraphs provide a strategic overview of each theme, and the next chapter sets out how these should be implemented, and by whom.

- **Evangelism and promotion**

We are not saying enough about the importance of good management and leadership.

For some people it is a “given” and a “no brainer” that “better managers make better businesses”, and therefore repetition is merely stating the obvious.

For some it merely emphasises the difference between managers as “men in suits” (a description both politically incorrect in gender terms, and totally alien to the current industrial profile of Wales) and their employees.

For many, if not the majority, of small businesses in Wales, management and leadership is seen as academic, the province of “gurus”, theoretical, and with little relevance to the day to day graft of business life.

For all these reasons we need to “talk up” good management and leadership as the solutions-focused key to business success.

Recommendation: develop an all-Wales promotional campaign built on a strong “business case” to promote good management and leadership

- **Diagnosis**

We need to do more to help managers in all sectors and at all levels diagnose their own strengths and weaknesses, as a starting point for further development.

This diagnosis can be both stand-alone or an integral part of other support packages led by advisors, coaches, and mentors.

Research conducted in 2005 identified key issues, and available resources, but since then more on-line resources have become available which need to be made more widely known.

Recommendation: as a natural part of the generic “good management and leadership” promotional campaign, encourage people to question their own management skills, to give them greater confidence in their personal strengths, and to identify weaknesses that need to be minimised.

- **Information**

One of the fundamental problems with the whole leadership and management development agenda is that people do not know what is “out there” to help them.

The 2005 research conducted by Cardiff Business School identified 1600 providers of management and leadership development opportunities in Wales, and 17,000 different programmes.

Is this riches beyond the dreams of Croesus, or “nightmare on development street”?

We would argue that it is a nightmare, that can be turned into a dream of opportunity if information is made more widely available to those who need it most.

Collaborative work with information providers has already begun (see above) to resolve this problem, but needs to be accelerated.

Recommendation: all partners – information providers, Sectors Skills Councils, government, enterprise agencies, other intermediaries and membership organisations – collaborate to find simple solutions to the “information problem”, focusing on the needs of the small business end-user.

- **Workshop programmes**

DELLS are investing £1.5 million for 3 years in an all-Wales rolling programme of management and leadership development programmes based on the National Occupational Standards.

These workshops are now being reviewed to enhance marketing, linkage to the standards, and relevance to business needs.

There is also a strong argument that these workshops need to be tailored more specifically to sectoral or individual business needs, rather than be pitched at three levels of management (first line, middle, and senior) with a generic offering at each.

The “sheep dip” approach is often criticised, with justification, as an inefficient way to develop skills at any level. There needs to be greater focus on continuity, and progression.

Recommendation: review the take-up and impact of the current workshop programme, and revise the programme (if required) to take account of individual and sectoral needs, to fill market gaps and address market failures.

- **Mentoring**

Each year there is ever greater emphasis on coaching and mentoring as an important, if not the most important, development route for managers and leaders at all levels.

The benefits are well documented, and the anecdotal and research evidence unequivocal.

However, one-to-one support of this kind is labour intensive, notionally expensive (but not when compared with the cost of other less effective development routes), and requires important communication and empathy skills, for which training is required.

Public Service Management Wales are developing a major coaching and mentoring programme across the public sector.

Cardiff Business School, funded by DELLS, produced a major report in 2006 on mentoring in the private sector in Wales. This report contained a number of important recommendations that focus on the development of a network of volunteer business to business mentors, modelled on similar programmes in England, Scotland, and other parts of the world, with an impressive track record. There is an important opportunity to implement these recommendations.

Recommendation: co-ordinate the planning, promotion and implementation of a major programme to train, deploy and build a supportive network of coaches and mentors across Wales.

- **Networks**

It is widely acknowledged, that managers and leaders learn best, if not most, from their peers: from people who have faced or are facing the same problems that they are; from people who have found solutions or are struggling to find solutions to those problems; from people who are can be trusted to say it like it is.

Recent research funded by DELLS has identified 115 different formal networks in Wales, all at different stages of development, most struggling for members and therefore survival, many in competition with each other, with little thought of collaboration.

Most however identified the development of skills in general, and management and leadership skills in particular, as an implicit, if not explicit, objective of the network.

The research also identified that the most effective and successful networks all started informally.

In our previous report, *Agenda for Growth*, we argued that Wales is a “network of networks” that need to be exploited and developed as part of the management and leadership development agenda.

We still believe that we should devote more attention to developing and supporting formal and informal “learning networks” across Wales.

Recommendation: invest in the facilitation of learning networks within industry sectors, across supply chains, and on business parks, using “network facilitators” to start the process, who then bow out when each network is self-sufficient and self-supporting.

- **Investors in People**

DELLS published challenging targets for the increase in the number of companies and organisations that are recognised against the IIP Standard, and its various Models.

We have devoted more attention in Wales to the IIP Leadership and Management Model than in other parts of the UK, but there is some doubt about the continuation of the Model as the revision of the IIP Standard itself gives much greater emphasis to leadership and management.

It is significant that many organisations in Wales are attracted to the Leadership and Management Model as a way in to the Standard, rather than a follow on from it.

However, there are currently some 2000 organisations recognised against the Standard in Wales, but only about 30%, or about 600, are from the private sector. This raises important and challenging questions about the appeal of IIP to the 99% of businesses in Wales who are classified as micro or small (see Chapter 7).

Recommendation: re-focus the promotion of IIP to the needs, expectations and aspirations of SMEs, and capitalise on the interest in the Leadership and Management Model as an important driver for change across Wales.

- **Investment**

The Welsh Assembly Government has increased its investment in leadership and management development in the last three years, through the Workforce Development Account, HRD and IIP advisors, and the Workshop Programme.

This is to be welcomed, applauded and continuation encouraged, but the Leitch Review of Skills has changed the context in which governments are encouraged to think about investment of this kind. Leitch argues that government intervention with public funds should be focused on low skills, and “at Level 4 and above, individuals and employer should pay the bulk of the costs as they will benefit most.”

This shifts the emphasis and changes the landscape in a way that will certainly begin to break the dependency culture in Wales, where it can be argued public funding has been a disincentive to small companies investing their own money in the skills that are so vital for their survival and growth.

Recommendation: move government policy and promotion from public investment in the development of management and leadership skills, to a new emphasis on the importance of this investment being made by companies and individuals, based on clear evidence of the benefits from practising leaders and managers in all sectors.

- **Qualifications**

The Leitch Review of Skills gives considerable emphasis to qualifications as

- a proxy for the identification of skills
- a mechanism to ensure the portability of skills, and
- a measurement of skills development across the UK.

We would not dispute any of the Leitch recommendations in this area, but we would argue (and have done in all our past reports) that qualifications are just part of the solution, not the solution. They are right for some people, but not for everybody.

There is a growing body of opinion that emphasises the importance of the informal learning, in a multiplicity of forms, that takes place naturally or is facilitated in the daily weft and warp of our working lives. This informal learning tends to be unrecognised because it is unsung, but we need to change that.

But there is a challenge: if we bring the formal and the informal into the same framework (such as the Credit and Qualifications Framework for Wales) will the former inevitably corrupt and weaken the impact of the latter?

Recommendation: review the relevance of existing leadership and management qualifications in the light of key messages from UK and sector specific strategies, and continue to recognise and promote the importance of informal learning.

- **Evaluation**

Evaluation needs to be reviewed at a national and a company level.

In 2005 the Wales Management Council published a report entitled *Management Development in Wales – a survey of current practice 2004 – 2005*. This was the first report of its kind to explore what managers in organisations large and small were doing, or not doing, about the development of leadership and management skills.

The results were informative, but not world-shattering, however the prime intention was to establish a base line against which progress might be measured in future years.

Follow-up research is long overdue, and needs to be conducted at regular, say two yearly, intervals. This research will complement regular programme evaluation conducted by the Welsh Assembly Government Department for Education, Culture and the Welsh Language (DECWL), and the Department for Economy and Transport (DfET).

In 2006 we published the research report produced by Cardiff Business School which provided a toolkit to help small businesses evaluate the impact of their own leadership and management development activity.

We now need to explore in much greater depth (see Chapter 9) how to measure the national impact of leadership and management development activity.

Recommendation: implement regular surveys of management and leadership development activity and impact, to provide an evidence base for policy, programmes, promotion and publicity.

The evolution of current programmes and initiatives described above is an important step towards the achievement of our longer-term vision.

But more needs to be done, and quicker.

d. Revolution

The revolution must be in

- the language that we use
- the speed of implementation of ideas and initiatives, and
- the innovative nature of the solutions to the leadership and management development issues that Wales is facing.

Engagement with the market is still the key issue as it was five years ago, and the first step is a revolution in the language we use to talk about and promote leadership and management development.

We must use language that engages the attention (the first part of the AIDA model: attention, interest, desire, action) of those to whom we are talking.

On page 2 of this report are a number of telling observations on leadership and management development in Wales that include the following:

“In the training supermarket, which aisle would you go down first, the one headed *Make more money*, or the one headed *People management skills*?”

The lesson is clear. Talk to people about what matters to them in the language that they would use.

We recommend the following ten new strategic steps to enhance the development of leaders and managers in Wales:

- Public funding: the £1000 initiative
- Think Tank: the voice of managers
- Advice: advising the advisors
- Skills brokerage: find me the help I need
- Quality assurance: who's the best for me?
- Conferences and awards: exemplars of excellence
- Best practice (UK): what can we learn?
- Best practice (overseas): what can we learn?
- Targets: what gets measured gets done
- Programme management: making the jigsaw pieces fit.

The following paragraphs provide a strategic overview of each idea, and the next chapter sets out how these should be implemented, and by whom.

- **Public funding: the £1000 initiative**

Although the Leitch Review recommends that the higher the skill, the lower the support from the public purse, it does make some very clear recommendations for the expansion of the Leadership and Management Programme in England.

In the Skills Strategy, DfES allocated £43.7 million for a Leadership and Management programme, offering managers of organisations between 20 and 250 employees up to £1,000 financial support to develop leadership and management skills. This has been largely brokered alongside the Train to Gain programme. Nearly 18,000 managers had their needs assessed, and nearly 17,000 had agreed a Personal Development Plan by the end of March 2006. The SBS found that for every £1,000 of financial support grants given to small businesses through the Leadership and Management Development Programme, an average additional investment of over £2,000 has been triggered.

The Review has developed recommendations to increase employer investment in management skills. The Leadership and Management Programme has successfully supported management development for firms between 20 and 250 employees and has levered in significant private investment. The Review recommends that it be extended to firms between 10 and 20 employees, so that smaller firms are able to access its help and grow.

This is an innovative initiative in that very few strings were attached to the £1000 support, and companies were free to use it as they saw fit, subject to match-funding, for leadership and management development of their choosing.

Recommendation: set up a leadership and management development funding programme to provide a match-funded £1000 for SMEs with more than 10 staff, based on the English model.

- **Think Tank: the voice of managers**

We do not believe that the voice of SME managers is heard enough in Wales.

The Business Partnership Council is the statutory body through which government and representative bodies of employers can exchange views. But does this really capture what businesses in Wales are saying about management and leadership issues?

If we are to revolutionise engagement with small businesses in Wales we need to listen to what they are saying.

The Sector Skills Councils are clearly doing this for their sectors, but we argue that there is a place for cross-sector views to be heard more directly by government.

Recommendation: create an active think tank of SME managers to provide advice, guidance, and challenge, to policy makers and programme developers in government.

- **Advice: advising the advisors**

We have already identified the plethora of routes that are available to those who are looking for information about resources and programmes to help them develop their management and leadership skills.

We have also identified that many of these routes are unknown, and their sheer number increases confusion.

It is also clear for many information providers and advisors management and leadership programmes and support are just part of a wide-range of other offerings, and the problem is exacerbated by the fact that many clients are not entirely certain about their real needs.

This means that advisors themselves struggle to know where to direct their clients for further help and support.

Recommendation: provide training and guidance to advisors of all kinds on leadership and management issues so that they can better develop their clients skills.

- **Skills brokerage: find me the help I need**

The concept of skills brokerage (which is already operating with some success in England) is a development of the above, and moves from the reactive provision of relevant information, to pro-active search for the best development route to meet the client's needs.

This is an important step towards helping managers find their way through the maze of providers and provision.

It is also essential that this skills brokerage includes accurate and up to date information about appropriate funding routes, for as long as these are available.

Recommendation: develop a network of skills brokers, based on the English model, who can provide informed and focused advice and guidance on development opportunities and funding routes.

- **Quality assurance: who's the best for me?**

Closely allied to the problem of good information is the question of quality of provision.

Ignorance about what is available is matched by scepticism about whether any provider will "deliver the goods".

People need all the help they can get to find the providers that are best for them. But publicly funded bodies, including ourselves, adopt strictly impartial stance when it comes to making recommendations about particular providers. This limits the help that can be given.

The public sector has a variety of quality assurance mechanisms to accredit providers who deliver their programmes or offer services, but these are a very small proportion of the provider network.

It is important to establish what quality means, help people to recognise it, and find non-bureaucratic ways to "quality assure" management and leadership development offerings.

The best quality assurance comes from the market itself, and the assurance that most people trust most is testimonials from other users, similar to "reader reviews" on Amazon.

We should also explore the award of "kitemark" to providers who achieve the highest or longest run of client recommendations.

Recommendation: set up a central resource where those providers who wish to participate provide rolling list of on-line testimonials from their clients which can be freely accessed by the public.

- **Conferences and awards: exemplars of excellence**

In the last three years the Wales Management Council has worked with a number of partners to set up and run the annual *Leading Wales Awards*¹ and the *Lead On*² conference.

These two events provide exemplars of good leadership, an outstanding development opportunity for leaders and managers, and increase the profile of the importance of good leadership and management across Wales.

In 2007 we are breaking new ground with a conference in North Wales that focuses on similar issues.

We also propose a new *High Performance Wales* award to recognise companies who are exemplars of high performance working practices. (See our 2005 report *High Performance Wales*.)

Wales needs flagship awards events of this kind, and we should give them increased support to ensure their continuation.

Recommendation: provide direct, annual support to the *Leading Wales Awards* and *Lead On* conference to ensure their continuation, and develop of a new *High Performance Wales* award.

- **Best practice (UK): what can we learn at home?**

We know that the skills of our leaders are key drivers for the economy, and that is as true in Wales as any other part of the UK.

Sometimes we have a tendency to think that our problems are unique, and the solutions must therefore lie within our borders.

Nothing could be further from the truth.

We share common difficulties with many other parts of the UK, and their solutions to these problems can help us solve ours.

We need to keep abreast of management and leadership development strategies and plans in other parts of the UK, and when appropriate follow their best practice.

There is also clear evidence (see Leitch Review recommendations concerning a “basic skill pledge” and the wider role of Careers Companies) that best practice in Wales is being copied by others.

So this is a two way street.

Recommendation: maintain a watching brief on management and leadership development strategies and plans in other parts of the UK, and use best practice examples to inform our own development plans.

¹ A collaboration between Wales Management Council, Learning Pathways Cymru, Hilton Hotels, CMI, Cardiff Business School, Dolmans Solicitors, ACCA, Common Purpose and IOD.

² A collaboration between Wales Management Council, CMI, ILM, IOD, CIPD, and CIM.

- **Best practice (overseas): what can we learn abroad?**

We can learn from the rest of the UK. We can also learn from the rest of the world.

USA, the developed and developing economies in Europe, the growing economic giants of China and India, the Singapore success story, the Irish success story, all have something to say about leadership and management skills in the global economy.

The meaning of entrepreneurialism, the skills challenge, growth strategies, leadership in context, management by direction or management by collaboration, are just some of the issues where other countries have much to say, and we potentially have much to learn.

There are learning opportunities here that we cannot afford to ignore in our own search for world-class skills.

Recommendation: establish strong links with key economies in other parts of the world, and through visits by them and to them, build a body of evidence to help develop our own thinking about leadership and management in a world economy.

- **Targets: what gets measured gets done**

We all recognise the adage “what gets measured gets done” and all too often we find that the opposite is also true.

In Wales we are not setting targets for leadership and management development, nor are we measuring the activity, outcomes or impact against them. Is that in itself a reason for an apparent lack of progress?

Government targets in many arenas have a bad name for becoming an end in themselves, not a means to an end. We must beware of that trap. But more rigour in our objectives would not come amiss.

But that is easy to say, and difficult to do.

The development of management and leadership skills cannot be measured like hospital waiting lists. There are issues of culture, choice, benefit, cost, that are variable and peculiar to each and every person and organisation.

The challenge is to think this through, and find ways of establishing targets, and then measuring progress against them, that support the creative development of leaders and managers to improve our economy, avoiding a tick box mentality that leads cynics to say “what gets ticked, has probably not been done properly.”

Recommendation: explore ways that are high on innovation and low on bureaucracy to set targets that will enhance the quality of leaders and managers in Wales, and give greater focus to personal ambitions and development initiatives of all kinds.

- **Programme management: making the jigsaw pieces fit.**

One of the frequent statements made in response to research questions about leadership and management development in Wales is that people do not know who has overall responsibility for the strategy, and who is driving forward the implementation of whatever strategy there is.

This perception (whether justified or not) leads to a sense that there are a greater number of isolated jigsaw pieces, but no one knows what picture they are supposed to make.

This in turn becomes a disincentive to involvement.

Greater motivation would grow directly out of a stronger sense that there is “a picture” and that there is one central body driving the leadership and management agenda forward in all its myriad forms.

Recommendation: create a leading body to drive the leadership and management agenda forward in Wales, and make this the central resource for anything and everything to do with the development of leaders and managers.

The next chapter describes what needs to be done to implement each of these recommendations.

5. Action Plan 2007 – 2010

The following paragraphs set out the actions that the Wales Management Council believe would effectively implement the recommendations in the previous chapter.

Almost all the actions are a collaboration between Welsh Assembly Government departments, Education, Culture and the Welsh Language (DECWL), and Economy and Transport (DfET), and the Wales Management Council itself.

Items 1 – 10 grow out of current plans and initiatives.

Items 11 – 20 break new ground.

In all cases timelines are short to introduce a new sense of urgency and immediacy to the whole leadership and management action plan agenda.

The Wales Management Council believes that it has a key role to play in driving all these actions forward, and Item 20 explains this in more detail.

1. Evangelism and promotion

Develop an all-Wales promotional campaign built on a strong business case to promote good management and leadership.

- Develop and implement a rolling campaign, using all media (press, print, internet), to promote the importance of good leadership and management.
- Focus on the importance of investment in leadership and management development, solutions to business challenges, and the key questions that all managers and leaders need to ask about themselves and their business.
- As a first step, produce “key questions for managers” on a credit card size handout to be distributed widely via intermediaries, and inserted in business magazines.
- Campaign to be planned from September 2007 and implemented in 2008.

2. Diagnosis

As a natural part of the generic “good management and leadership promotional campaign”, encourage people to question their own management skills, to give them greater confidence in their personal strengths, and to identify weaknesses that need to be addressed.

- Update the research report prepared by CRG Consultancy in 2005 in relation to the diagnostic tools that are now available.
- Complete the piloting of tools with CITB, and determine which are most suitable for small business use.
- Promote the use of the tool or tools widely.
- Review and piloting to be completed by end 2007, and recommended tools to be promoted widely from 2008 onwards.

3. Information

All partners – information providers, Sectors Skills Councils, government, enterprise agencies, other intermediaries and membership organisations – collaborate to find simple solutions to the “information problem”, focusing on the needs of the small business end-user.

- Take forward the discussions begun in 2006 to explore how information on leadership and management opportunities in Wales can be co-ordinated and simplified to meet the needs of the small business market.
- Develop a handbook, to be published in 2007, to assist SME managers to use the Internet to search for appropriate development opportunities and information.
- Hold a second provider conference in Autumn 2007 to agree and refine proposals.
- Implement these proposals from 2008.

4. Workshop programmes

Review the take-up and impact of the current workshop programme, and revise the programme (if required) to take account of individual and sectoral needs, to fill market gaps and address market failures.

- Complete a review of the current workshop programme from the participants’ perspective.
- Redefine the focus and objectives of the workshop programme, if required
- Seek ways to promote the workshops in a way that directly engages the attention of SMEs
- Programme changes and publicity to be implemented from September 2007.

5. Mentoring

Co-ordinate the planning, promotion and implementation of a major programme to train, deploy and build a supportive network of coaches and mentors across Wales.

- Implement the recommendations of the Cardiff Business School research conducted in 2006 for a network of volunteer business-to-business mentors.
- Drive forward a collaborative approach to develop a professional network of mentors across Wales.
- Invest in a new programme of training for coaches and mentors in all sectors.
- Cardiff Business School research recommendations to be implemented from September 2007, with complementary work on collaborative activity and training programmes.

6. Networks

Invest in the facilitation of learning networks within industry sectors, across supply chains, and on business parks, using “network facilitators” to start the process, who then bow out when each network is self-sufficient and self-supporting.

- Convene a conference in 2007 of network organisers to discuss opportunities and mechanisms for greater collaboration.
- Review and implement proposals for a team of “network facilitators” across Wales.
- Wales Management Council executive team to continue to build “learning networks” in north and south Wales.
- Targets are to establish twelve new learning networks (three in each region north, south, mid, south east and south west) from 2008.

7. Investors in People

Re-focus the promotion of IIP to the needs, expectations and aspirations of SMEs, and capitalise on the interest in the Leadership and Management Model as an important driver for change across Wales.

- Review impact of the IIP Standard and Models on a sector by sector basis, and develop new marketing campaigns to target areas where take-up has been lowest, with special focus on the SME market.
- Continue to develop and enhance IIP networks of practitioners and recognised companies as a powerful “learning network” in its own right.
- Capitalise on the interest in the IIP Leadership and Management Model and explore the feasibility of developing a Welsh Leadership and Management Model, if IIP UK decides their own should be discontinued.
- New marketing campaigns to be rolled out from September 2007.

8. Investment

Move government policy and promotion from public investment in the development of management and leadership skills, to a new emphasis on the importance of this investment being made by companies and individuals, based on clear evidence of the benefits from practising leaders and managers in all sectors.

- Review the recommendations of the Leitch Review in relation to providing public support for higher level skills, and re-define policy in this area.
- Establish best practice examples of corporate investment in the development of leadership and management skills with clear evidence of the benefits.
- Use this information to inform marketing campaigns (see 1 and 7 above) and develop new messages that focus on personal and corporate investment, not subsidy.
- New policy to be defined, and marketing initiatives prepared by end 2007.

9. Qualifications

Review the relevance of existing leadership and management qualifications in the light of key messages from UK and sector specific strategies, and continue to recognise and promote the importance of informal learning.

- Review the UK Management, Leadership and Enterprise Qualifications and Learning Strategy, and decide on its impact and implications for Wales.
- Review the Sector Skills Agreements and the Sector Qualifications Strategies of each SSC to gain a common picture of the qualifications that are most relevant to each. Use these benchmarks to develop and promote the qualifications that are of greatest relevance to the Welsh market.
- Explore further how informal learning can be recognised within the Credit and Qualifications Framework for Wales.
- All reviews and initial thoughts about informal learning to be completed by end 2007.

10. Evaluation

Implement regular surveys of management and leadership development activity and impact, to provide an evidence base for policy, programmes, promotion and publicity.

- Carry out a new survey of leadership and management development practice in Wales, and plot progress since the previous survey in 2004 – 2005.
- Develop a specification for new research into the impact and benefits of leadership and management development in companies and organisations of all sizes.
- Use the data from these surveys to develop the “business case” for leadership and management development.
- All this work to be completed by the end of 2007 to inform the development of new programmes and marketing initiatives in 2008.

11. Public funding: the £1000 initiative

Set up a leadership and management development funding programme to provide a matchfunded £1000 for SMEs with more than 10 staff, based on the English model.

- Research the planning, management, and evaluation of the Leadership and Management Programme in England.
- Review the budget implications of providing and administering this level of support for SMEs in Wales from 2008.
- Review criteria for this support, and how its impact will be assessed.
- Reach a firm decision on whether such a programme is feasible in Wales by December 2007.

12. Think Tank: the voice of managers

Create an active think tank of SME managers to provide advice, guidance, and challenge, to policy makers and programme developers in government.

- Use the Wales Management Council's "Leaders Forum" as the first point of contact for advice and guidance on leadership and management policy development.
- Use existing networks (Knowledge Bank for Business, IIP, businesses in receipt of public funding) to establish active communication routes to explore SME development needs and aspirations.
- Wales Management Council to develop active feedback mechanisms through the Council, Leaders Forum, and widening "e-associates" network.
- All parties to ensure that meetings and discussions are held with all these groups at least twice per year from 2007.

13. Advice: advising the advisors

Provide training and guidance to advisors of all kinds on leadership and management issues so that they can better develop their clients skills.

- Review the level of demand for leadership and management advice through publicly-funded advisor teams, and the interaction between them.
- Review the capacity of their business advisors to deal with leadership and management issues.
- Wales Management Council to develop and offer a programme of training and awareness-raising for their advisors on leadership and management issues.
- All publicly-funded advisors to attend this programme at least once per year from 2008.

14. Skills brokerage: find me the help I need

Develop a network of skills brokers who can provide informed and focused advice and guidance on development opportunities and funding routes.

- Research the planning, implementation and impact of the Skills Broker programme in England, with a view to implementing a similar programme in Wales with a particular focus on leadership and management issues.
- If the English model is a good one for Wales to follow, establish a team of Skill Brokers as a central point of advice on leadership and management development issues.
- Wales Management Council to be involved in the recruitment, training, and management of the Skills Broker team, and in the evaluation of the impact of their work.
- The Skills Broker team to be in place from 2008.

15. Quality assurance: who's the best for me?

Set up a central resource where those providers who wish to participate provide rolling list of on-line testimonials from their clients which can be freely accessed by the public.

- Research the feasibility of developing an on-line provider list with client reviews.
- If the research is positive, draw up a costed, implementation plan.
- Promote this on-line resource to providers and potential clients.
- All research to be completed by early 2008, and if positive, plans implemented from mid-2008.

16. Conferences and awards: exemplars of excellence

Provide direct, annual support to the Leading Wales Awards and Lead On conference to ensure their continuation, and develop a new High Performance Wales award.

- Promote the *Leading Wales Awards* as an answer to the recommendations given to the Leitch Review (see Chapter 11) for an annual award to recognise excellence in leadership.
- Increase annual support for the *Leading Wales Awards* from public funds.
- Increase annual support for the *Lead On* conference from public funds.
- Wales Management Council to prepare proposals for a new *High Performance Wales* award from 2008.

17. Best practice (UK): what can we learn?

Maintain a watching brief on management and leadership development strategies and plans in other parts of the UK, and use best practice examples to inform our own development plans.

- Research leadership and management development activities in other parts of the UK, and disseminate information on best practice.
- Ensure Wales takes full advantage of any UK-wide initiatives for the development and support leaders and managers.
- Explore and publicise best practice initiatives from the SSC network.
- Publish an annual “state of the nation” overview.

18. Best practice (overseas): what can we learn?

Establish strong links with key economies in other parts of the world, and through visits by them and to them, build a body of evidence to help develop our own thinking about leadership and management in a world economy.

- Develop a clear strategy for engagement with leadership and management development activities in other parts of the world.
- Wales Management Council to fund and manage visits to those parts of the world where there is the greatest chance of discovering best practice that is of relevance to Wales.
- Carry out complementary desk research, through Business Schools and other bodies into leadership and management development programmes in other parts of the world.
- Publish best practice examples on an annual basis.

19. Targets: what gets measured gets done

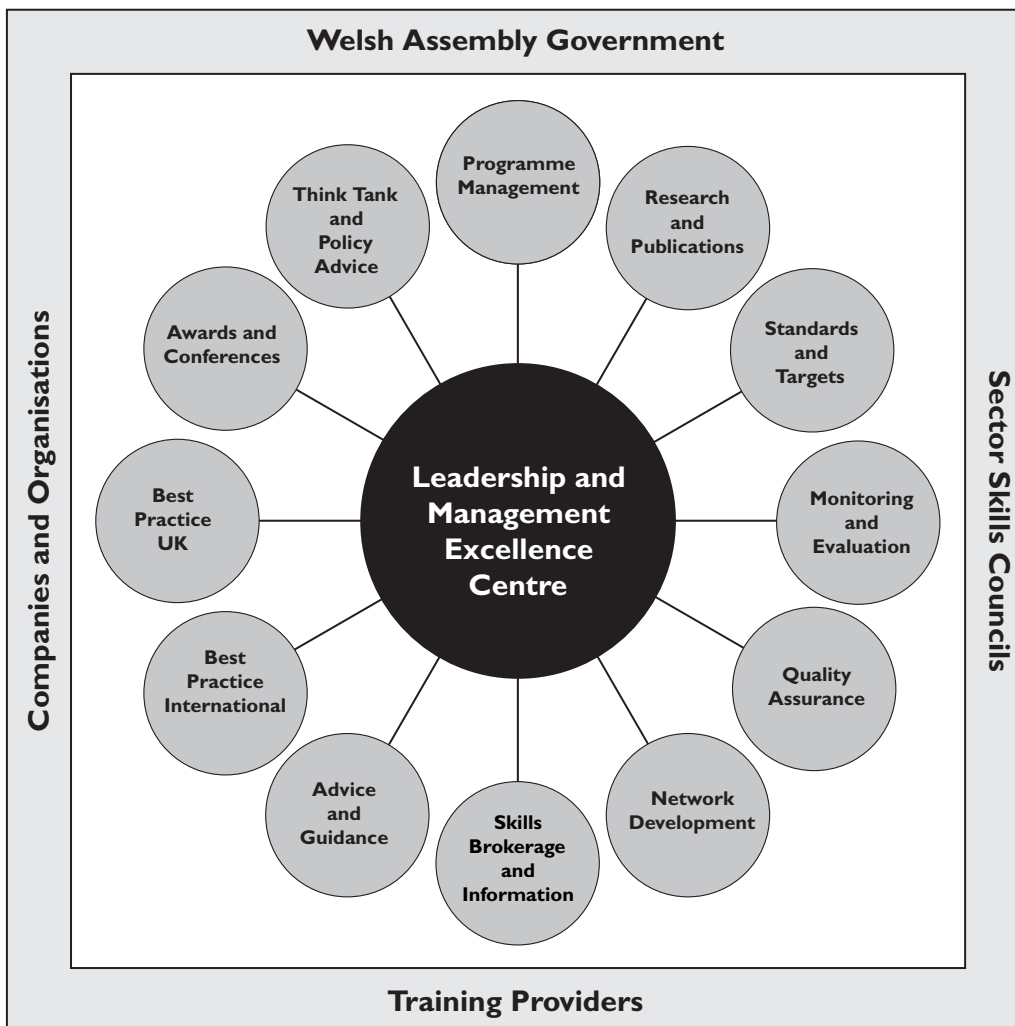
Explore ways that are high on innovation and low on bureaucracy to set targets that will enhance the quality of leaders and managers in Wales, and give greater focus to development initiatives of all kinds.

- Research and make proposals for setting and measuring targets that are of the greatest relevance for driving forward leadership and management development. See Chapter 9.
- Review all targets related to funding to support leadership and management development and consider whether they are fit for purpose.
- Set up a Task and Finish Group to consider the proposals from both of the above, and agree a set of targets that are both practical and inspirational.
- New targets to be in place from mid-2008.

20. Programme management: making the jigsaw pieces fit

Create a leading body to drive the leadership and management agenda forward in Wales, and make this the central resource for anything and everything to do with the development of leaders and managers.

- The Wales Management Council’s vision, knowledge, experience and influence on leadership and management policy development over the last seven years makes it well placed to take on a new leadership role to drive the leadership and management agenda forward.
- The Wales Management Council, with additional resource, could be the central body to manage many of the support, advice, information and guidance functions recommended above.
- To that end the Wales Management Council proposes a change of name to the *Leadership and Management Excellence Centre (LMEC)* that describes more accurately this central and pivotal function.
- The change of name should be made before 2010 to give time to establish all the functions that LMEC will take on. These are set out in diagrammatic form below.



6. Further Education Review

The review of Further Education in Wales, to be published in the autumn of 2007, will have important implications for the leadership and management development agenda.

Past progress must underpin FE's future

The Further Education Review, commissioned by the Minister for Education, Lifelong Learning and Skills is underway.

A team, led by Sir Adrian Webb and comprising Sheila Drury OBE and Gary Griffiths of Airbus, is supported by external specialists.

The review is exploring the strategic mission and purpose of the FE sector in Wales, the extent to which FE institutions should specialise, priorities for the future, self-regulation and streamlining governance. It is also evaluating the wider role of the sector in relation to developments in 14-19 education and training, higher education, skills and workplace and adult learning. Its remit is being finalised.

The setting up of the review is the most significant development for FE in Wales since the incorporation of the colleges in 1993. In the past 13 years, the sector has changed beyond recognition. Student numbers have more than doubled, efficiency savings average around 1.4% per year, quality as measured by inspection reports has improved and there has been substantial investment in buildings and equipment.

Colleges vary considerably in the range of courses offered and types of learner. They offer full-time and part-time vocational, academic and leisure courses. There are more learners aged 16-19 in colleges than in schools, and more adult learners than in universities. And 84% of the 271,000 learners in FE are adults, of whom 85% attend part-time courses.

This wide variety of provision and colleges' responsiveness and flexibility can be seen as their greatest strengths. But these are also their greatest challenges as members of the public, employers and leading decision-makers are often unclear as to the purpose of the FE sector.

Any proposed reforms of the organisation of post-16 education and lifelong learning must consider not only FE but also schools, and work-based learning providers. FE cannot be treated in isolation.

There needs to be firm commitment to encouraging real collaboration between providers. Competition for 16-19 learners produces an adverse effect on 14-16 partnerships and the whole 14-19 agenda.

Reforms need to be in the context of demographic changes. The number of learners aged 16-19 will decrease over the next 15 years, while those over 19 will increase.

The report of the FE review will coincide with the Welsh Assembly Government's response to the recent Leith Review – *Prosperity for All in the Global Economy*. And the Beecham Report published last year provides added impetus for change. Fforwm recognises that the current position is not sustainable long term.

Finding ways of raising the profile of vocational qualifications among parents, learners and employers is a key concern, especially in the light of the need to raise skill levels in Wales.

The FE review, originally due in the summer, is now likely to report in autumn 2007. By this time we will have a new Welsh Assembly Government, and possibly new ministers. Decisions on taking forward the recommendations can be implemented in 2008 and beyond.

The review must be driven by the needs of learners and the economic and social needs of Wales – and must recognise that sector's progress since 1993.

This overview has been provided by John Graystone, Chief Executive of fforwm, and was published originally in the Western Mail on 11 January 2007.

Part 2

Market

7. Market Overview

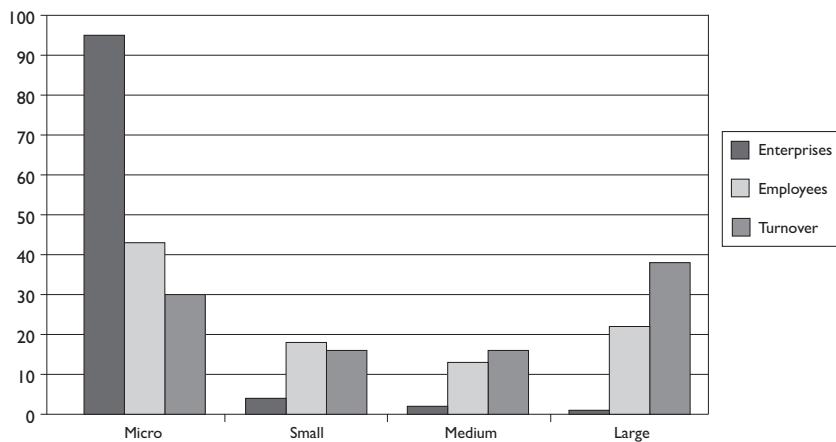
a. Businesses

The latest DTI statistics for the number of enterprises in the private sector in Wales (including public corporations and nationalised bodies; excluding Government and non-profit organisations) are from the start of 2005, as follows.

Employees	Enterprises		Employment		Turnover	
		%	'000s	%	£million	%
None	123,115	70.2	141	20.1	6,291	9.8
1-4	36,340	20.7	107	15.2	8,118	12.7
5-9	8,590	4.9	61	8.7	4,934	7.7
10-19	3,805	2.2	55	7.8	4,000	6.3
20-49	2,380	1.4	74	10.5	5,866	9.2
50-99	705	0.4	48	6.8	4,244	6.6
100-199	290	0.2	41	5.8	4,875	7.6
200-249	55	0.0	12	1.7	1,391	2.2
250-499	110	0.1	40	5.7	4,623	7.2
500+	70	0.0	125	17.8	19,577	30.6
TOTAL	175,460	100.0	703	100.0	63,919	100.0

The key facts to break out of this table are that:

- There are 52,000 enterprises in Wales with more than one employee
- 99% of all enterprises in Wales have less than 50 employees, and represent 62% of employment, and 46% of turnover.
- 98% of all enterprises in Wales have less than 20 employees, and represent 52% of employment, and 37% of turnover.
- 1% of enterprises in Wales have more than 50 employees, and represent 38% of employment, and 54% of turnover.
- There are only 180 enterprises with more than 250 employees, representing 24% of employment, and 38% of turnover.



Micro = less than 10; Small = 10 – 50; Medium = 50 – 250; Large = more than 250 employees
 Left axis and all columns are percentages of total of all businesses in Wales.

Employment analysed by SIC code is as follows

SIC code		Enterprises		Employment	
			%	'000s	%
A,B	Agriculture, forestry, fishing	17,995	10.3	35	5.0
C,D,E	Mining, manufacturing, electricity, gas, water	10,945	6.2	162	23.1
F	Construction	40,050	22.8	78	11.0
G,H	Wholesale, retail, repairs, hotels, restaurants	34,025	19.4	193	27.5
I	Transport, storage, communication	10,290	5.9	35	5.0
J,K	Financial, real estate, renting, business	30,885	17.6	101	14.4
M,N,O	Health, education, other services	31,265	17.8	98	14.0
TOTAL		175,455	100.0	702	100.0

b. Managers

Approximate figures for managers based on the above statistics are:

Employees	Employment '000s	Ratio	Managers '000s
None	141	1:1	141
1-4	107	1:4	27
5-19	116	1:5	23
20-50	74	1:6	12
50-500	140	1:8	17
500+	125	1:13	10
TOTAL	703		230

c. Management and leadership development providers

In 2004 Cardiff Business School published its ELWa-funded, research report *Review of the Provision of Management Development and Leadership Training in Wales*. This report is available in full on our website.

The headline data is that there are an estimated 1601 organisations offering at least 17,000 management and leadership programmes – approximately one course for every 12 managers.

d. Other data

Businesses Schools	11
Higher Education Institutions	13
Further Education Colleges	23
Sector Skills Councils	24
Enterprise Agencies	14
Chartered Management Institute members	3500
IIP companies	2000
Institute of Directors members	900
Industry Fora	9
Local Authorities	22

8. Attitudes and Opinions

a. Introduction

SkillsActive, the Sector Skills Council with lead responsibility for leadership and management development across the UK set out their view of the market as follows³:

The continuing focus of the programme is on SMEs. This is based on our desire to apply wisely the limited resource of the network to the area of greatest need and where a real difference can be made. For many SSCs, organisations of under 10 employees constitute the bulk of their footprint. 99% of the 3.8 million businesses in UK have 0 - 49 employees; this is 56% of UK employment. We believe this continued focus is supported by employer need as measured by the Sector Skills Agreement. It is also congruent with the recommendations of the Leitch Review.

The challenges faced by managers in large, medium and small companies vary widely, as do the resources available to them. Whereas top leaders may admit to the development needs of their middle managers they are less forthcoming about their own needs.

Specifically for the small business focus of this programme:

Small business leaders are cash and time poor, and uninterested in courses and qualifications unless mandated by their sector. But they do respond to offers of solutions to their pressing business problems; particularly when it involves networking locally with managers who have similar issues. In general, they are not yet natural users of the internet and similar technologies.

Of the management and leadership skills development that is being done, we believe the majority is sourced from (mainly small) private sector consultancies. Thus, for example, using the funding power of the LSC and 'mandating' the use of the management and leadership NOS by suppliers will be a challenge.

Confusion and poor placement of signposting leads to managers not being able to easily find the right opportunity for them. (For example, there are over 6,000 suppliers in the North West alone). There are few quality assurance programmes.

UK small business culture places low value on the development of management and leadership skills which leads to low 'market pull'. In contrast, Government agency culture is driven by courses and qualifications; i.e. 'market push' but often in the wrong direction. This is addressed by Leitch.

Overall it is mainly a 'stock' rather than 'flow' problem; the great majority of people we seek to influence are already in the workforce.

As you would expect, there are no silver bullets. Small business employer engagement will be a key focus area of the programme.

b. Attitudes and opinions in Wales

Over the past year, Wales Management Council has made efforts to explore in more depth the nature of the 'market' landscape in Wales. Predominantly this means the private sector although we have also visited a number of large public sector organisations. Our aim was to ask directors of companies who were facing real challenges, what their attitudes and opinions

³ Skills Active are currently reviewing all Sector Skills Agreements to identify the key management and leadership issues reported by employers, and the solutions that are being developed or implemented to address them.

are regarding leadership and management development and the development of their organisations.

We took the market sectors identified in *Wales: A Vibrant Economy* as a starting point. This list, coupled with companies and organisations already known to, or recommended to us formed the basis of the survey.

We asked the most appropriate person to interview, usually the managing director or owner, to describe:

- the kinds of challenges the company/organisation expects over the next few years
- the company's assessment as to its capability to meet these challenges
- the company's views on developing leadership and management skills, including
 - o how this has been achieved in the past
 - o sources of information on suppliers
 - o attitudes to funded training and support agencies
 - o views on the value to the business of undertaking this kind of development activity.

The table below shows the number of organisations by size (number of employees) visited in each sector.

SECTOR	0 -9	10-19	20-49	50-99	100-199	200-499	500+	TOTAL
Manufacturing	2	1	2	3	2			10
Agri-Food			1					1
High Technology	1	1	2					4
Pharmaceuticals/Bio-Chemical			1			1		2
Financial Services	4		1	1				6
Creative Industries	4							4
Construction	1	1						2
Social Care			1					1
Professional Services	5	2	2		1		1	11
Defence/Police	1						1	2
Utilities							1	1
Healthcare/NHS	1	1					1	3
TOTAL	19	6	10	4	3	1	4	47
Notes: 0 employees = sole trader. Manufacturing includes Aerospace, Automotive, Electronic, Other.								

Our findings are grouped below under five headings:

- government
- management challenges
- leadership and management development
- networks
- next steps.

- **Government**

Many of the companies visited are in receipt of some kind of government support, such as Knowledge Exploitation Fund (KEF) funding, Workforce Development Programme, and a variety of business support and mentoring from support agencies and Mentor Wales.

Many companies had gone from support agency to support agency trying to find the assistance they needed.

Many had received a great deal of funded input yet still seemed to be in need of more.

Overwhelmingly companies were frustrated at the time it takes to process applications for funding and a number said that they simply did not bother anymore because of this.

Others commented that information was hard to find – in particular, clear guidelines on qualification for assistance.

Many of the micro-businesses visited were frustrated at being told they did not qualify for assistance and did not understand why large, profitable companies were being supported but small companies, determined to succeed, are not.

Companies in the training and IT sectors in particular were critical of the impact of government subsidies on their businesses. High quality operations offering services at normal market rates are being hugely undermined by the prevalence of low-cost offerings from government funded programmes.

Some training companies work for English rather than Welsh support agencies because the daily rates in Wales are generally so poor, and it is not cost-effective for them to work here.

This means that we are failing to encourage high quality, talented individuals to work in Wales developing Welsh companies.

Should government programmes pay top-of-the range daily rates to demonstrate a commitment to the development of the economy by being able to select the best?

Other companies questioned why services such as training and IT are being subsidised when other critical operational requirements such as accounting services are not?

The knock-on effect is to encourage businesses to undervalue training and development as evidenced by their reluctance to pay for it out of their own budget.

Exceptions to this tend to be larger enterprises and, unsurprisingly, companies in the training or consultancy sectors.

When asked about Sector Skills Councils, a small number had heard of them but had no direct contact. The majority did not know what or who they are.

- **Management Challenges**

Inevitably, these were many and varied, yet still certain themes emerged as common.

The most recurrent theme was problems with recruitment – from the smallest and simplest of operations to the largest and most specialised – the message was the same: it is very difficult to recruit the kinds of people needed with the necessary skills.

Some companies are keen to recruit on attitude alone, but this is only possible in environments where the infrastructure exists to provide the necessary core skills, such as an apprenticeship scheme.

Given the amount of government investment in basic and vocational skills, why is this the case?

Another common theme was that of growing the business: finding new customers or markets, and dealing with consequent growth and change.

At a personal level, time management, planning, delegation and organisational skills were frequently mentioned as challenges.

But the most prevalent requirement was a wish for better and more confident sales skills, directly related to growing the business and ensuring precious cash flow.

- **Leadership & Management Development**

Unsurprisingly, most the larger organisations tended to have very positive attitudes to the development of leadership and management competences and many had been awarded, or are working towards, IIP accreditation.

A number have won a variety of awards for achievement in leadership and management.

Attitudes in the company as a whole tended to be dependant on the attitude of the leadership team itself or of key individuals.

There are large companies with no management development plans for the directors and managers. This was the case in a number of technically specialised companies where hard, technical knowledge and expertise the main focus, to the virtual exclusion of developing other 'softer' skills.

Amongst the smaller SMEs, skills development had to be directly related to the development of the business.

Where the director could see it was important enough, the company would pay for the development. Sales and marketing skills were the most frequently mentioned.

It appears that when owner/managers can see the direct impact of leadership and management interventions on the bottom line – then they will sit up and take notice and even pay for it.

When asked where they would go to find information on training and development, most would go to their contacts, had received a flyer at 'the right time', or would research using the internet.

But given the huge number of likely responses to a Google search, how would these companies be able to distinguish a high-quality offering from a low-quality offering in an unregulated market?

Why is it the case that anyone can set themselves up as 'leadership and management development' consultant or trainer, and these are the people we are entrusting with the development of skills necessary for the growth of the economy?

If teachers operating in education have to be qualified, why not trainers and other development consultants operating in industry?

- **Networks**

A large variety of networks are used by the organisations visited from generalist, micro-business oriented networks to those aimed at very specific industry sectors.

A number of directors expressed a wish to network more, mainly to extend their market presence but were not feeling particularly confident about doing it themselves.

Conversely, other directors said they were suffering from 'network fatigue' and had stopped attending any as a result.

Consistent use of networks seems to be dependent on the ability of that network to make a direct impact on either personal or business development or both.

- **Next steps**

All those interviewed have a connection to Wales Management Council, a network or a training programme.

All these companies have declared an interest in developing their organisations and have taken steps to actively do so.

These are the companies to encourage even further to develop even better leadership and management skills to take them to the next level of success.

Part 3
Measurement

9. Monitoring and Evaluation

In our first strategic report *Agenda for Action* we made the following observations which are as valid today as they were in 2003:

Objectives

The objective of the evaluation exercise is to determine whether the investment in time and/or money in leadership and management development has led to greater productivity, and therefore contributed to an improvement in the economy of Wales.

Criteria

To be effective and meaningful, the measurement and evaluation methods must be:

- universal
- externally verifiable
- valid
- easy to implement
- use hard and soft data
- identify progress

Implementation

Without legislation to make this evaluation part of annual company reporting, implementation could be:

- voluntary (with the risk that no one will volunteer, or that self-selection will lead to invalid data)
- by mandatory national sampling of organisations representing a cross-section of the public and private sector in Wales.

The latter is the most realistic course of action, but clearly the larger the sample, the more valid the data.

And we suggested the following framework for measurement and evaluation:

Type	Description
External	Training and development accreditation - IIP
Input	Annual training expenditure as % total expenditure
	Training expenditure per employee per year
	Training expenditure per manager per year
	Ratio of manager:employee total annual training expenditure
	Average training/development hours per employee per year
	Average training/development hours per manager per year
Impact: financial	Total annual sales ££
	Total annual pre-tax profit ££ and as % of sales
	Annual sales per employee £
	Annual pre-tax profit per employee £
Impact: human	Customer satisfaction
	Manager job satisfaction
	Employee job satisfaction
	What are we good at, getting better at, not so good at?

This framework is clearly suitable for the private sector, and some more appropriate measures would need to be found for public or voluntary sector organisations that relate to their individual mission and purpose.

The direct correlation between training and financial performance is difficult to prove, and many other factors have an impact on sales and profit, but as the main purpose of leadership and management development must be business and organisational improvement, the financial evidence of this is a logical way to measure the impact of that development.

Each organisation will have its own targets and performance benchmarks. It is interrelation of these targets that matters, not the achievement of the targets themselves, in isolation.

And internally, all development needs to have a clear objective at the outset, which can be used to measure its impact and effectiveness⁴.

The measurement framework must seek to encapsulate an aspiration for personal change that is related to corporate benefits and success.

The only meaningful way to do this is to ask people questions. Attitude surveys are of critical importance.

At a national level, we would recommend that the following are just some of the measures that might be used to assess the attitudes to and take-up of leadership and management development opportunities:

- *Levels of continuing professional development:*

CPD in professional bodies is the norm. We need to encourage the transfer of that culture to all sectors.

- *Membership of organisations*

Chartered Management Institute (CMI), Institute of Leadership and Management (ILM), Chartered Institute for Personnel and Development (CIPD), Institute of Directors (IOD), and the numbers attending their development programmes.

- *The outreach and impact of training bodies*

The take-up of public and private development programmes, and satisfaction levels of participants.

- *The effectiveness of networks*

As these are an important route to learning and personal development.

- *Enquiries*

Business Eye, Learn Direct, Careers Wales that relate to the development of leadership and management skills.

Finally, we need to be more ambitious and challenging in what we expect of Wales and of its people.

⁴ For more information, see our report *Measuring the Difference – how to evaluate the impact of management and leadership development*.

Part 4
UK Strategy

10. Leitch Review of Skills

The Final Report of the Leitch Review of Skills, entitled *Prosperity for all in the global economy – world class skills*, was published in December 2006.

The key sections relating to leadership and management development are summarised in Appendix 3.

Chapter 8 of the Final Report (pages 137 – 141) contains some thirty recommendations (some of which are specific to England), of which the following have the greatest relevance to and impact on the leadership and management development agenda across the UK:

Increasing attainments

Achieving world class skills will require the UK to commit to achieving by 2020:

- 95 percent of adults to have the basic skills of functional literacy and numeracy, up from 85 percent in literacy and 79 per cent in numeracy in 2005
- Exceeding 90 per cent of the adult population qualified to at least Level 2 ... an increase from 70 per cent today
- Shifting the balance of intermediate skills from Level 2 to Level 3
- World class high skills, with a commitment to exceed 40 per cent of the adult population to be qualified to Level 4 or above.

Para 8.5, page 137

Delivering world class skills

More than 70 per cent of the 2020 working age population are already over the age of 16. As the global economy changes, and working lives lengthen, adults will increasingly need to update their skills in the workplace.

Para 8.7, page 138

A new partnership

Since 1945 debate has polarised around whether the Government needs to regulate to increase employer investment in training. The Review recommends a new partnership, building on the success of recent initiatives to build a more demand-led system, meeting the new challenges the UK faces through common action. In practice this means:

- *Government:* investing more, focusing on the least skilled. Ensuring that the education system delivers a highly-skilled flow into the workforce. Creating a framework to ensure employers and individuals drive the skills system to deliver economically valuable skills. Being prepared to act on market failures, targeting help where it is most needed. Regulate if necessary and with care to reach the UK's skills ambitions.
- *Employers:* to increase their investment in skills to impact productivity, wherever possible increasing investment in portable accredited training. Ensuring the skills system delivers economically valuable skills by effectively influencing the system. Pledging to support their low-skilled employees to at least a first full Level 2. Introducing sectoral measures, such as levies, where a majority of employers in the sector agree, and
- *Individuals:* raising their aspirations and awareness. Demanding more of their employers. Investing more in their own skills development.

Para 8.8, page 138

Embedding a culture of learning

The Review recommends a new offer to adults to help further embed a culture of learning across the country, ensuring everyone gets the help they need to get on in life: raising awareness and aspiration; making informed choices; increasing choice; and ensuring individuals can afford to learn.

Para 8.23, page 140

Demand-led funding

The Devolved Administrations should consider how best to ensure that provision (at Level 4 and Level 5) is effectively led by the needs of employers and individuals.

Para 8.10, page 138

Strengthening employer voice

The Review recommends strengthening the voice of employers through the creation of a single, employer-led Commission for Employment and Skills to deliver leadership and influence within a national framework of individual rights and responsibilities. The Commission will replace the SSDA and NEP across the UK.

Para 8.11, page 138

Increasing employer engagement

The Review recommends a new, clearer remit for Sector Skills Councils, focused on:

- raising employer engagement, demand and investment
- lead role in vocational qualifications
- lead role in collating and communication sectoral labour market data, and
- considering collective measures.

Para 8.112, page 139

Economically valuable qualifications

The Review recommends that Sector Skills Councils continue to lead in developing National Occupational Standards, the building blocks of qualifications. It recommends that SSCs are also placed in charge of a simplified process of developing qualifications that follows this.

Sector Skills Councils should be responsible for approving qualifications after their development by examining boards or lead bodies, rather than QCA. SSCs will be able to approve qualifications developed by an organisation, including education institutions and employers, if these meet the required standards. ... For vocational qualifications, only those approved by SSCs should qualify for public funding. ... Arrangements in Wales, Scotland and Northern Ireland should be developed by the Devolved Administrations.

Paras 8.13 – 8.15, page 139

Management and leadership

To further improve the UK's management and leadership, the Review recommends that Sector Skills Councils drive up employer investment in these skills by employers. The Review recommends that the Leadership and Management programmes (in England) be extended to firms with between 10 – 20 employees, so that smaller firms are able to access its help to grow.

Para 8.17, page 139

Investment in higher skill levels

The Review recommends that employers drive up attainment of intermediate and high skills, including Apprenticeships, led by SSCs and skills brokers.

The Review recommends widening the focus of HE targets to encompass both young people and adults via workplace delivery. This will dramatically improve engagement between HE and employers.

Paras 8.21 – 8.22, page 140

II. UK Leadership and Management Advisory Panel

The UK Leadership and Management Advisory Panel is chaired by Ian Smith of Oracle, and its membership includes Ian Rees, the former Chairman of the Wales Management Council.

The Panel is advised and supported by the Centre for Enterprise (CfE) at the University of Leicester.

The Panel made the following recommendations to Lord Leitch prior to the publication of the Final Report:

Leadership and management is proven as the key to raising financial performance and growth of employment opportunities in all organisations. Good leaders and managers invest in the development of their workforce thus pulling through the skills agenda.

Firstly, employers collectively have to take responsibility for raising demand for leadership and management development at all skill levels:

- leading employers should drive the development of a UK wide programme that promotes leading practice in leadership and management development;
- we need a national award which raises the profile of those employers who offer truly outstanding leadership and management development;
- the Sector Skills Councils are responsible for understanding and articulating leadership and management needs of each sector and to work with the supply side to ensure that training and qualifications meet employer needs.

Secondly, Government has responsibility to ensure that learning opportunities for leadership and management are fit for purpose, both now and in a rapidly changing future of increased competition and globalisation:

- there is a plethora of initiatives, approaches and institutions for leadership and management in the UK, we need determined leadership to champion what works and to drive improvements in curricula development and delivery, particularly at intermediate management levels;
- we need a new economy between HE and SMEs so as to ensure that HE is able and incentivised to engage with SMEs in providing customised leadership and management learning opportunities, particularly at Level 4 and above.

Thirdly, there needs to be more targeted and quality assured support and incentives for individuals and SMEs to invest in leadership and management opportunities:

- all business support providers and brokers ... should be proactive in their knowledge and signposting to quality leadership and management development opportunities;
- ... the leadership and management programme for SMEs (in England) should be extended to organisations of 10+, and ... focus on hard to reach businesses;
- for individuals, we need far more innovative approaches to engagement supported by using proposals for Individual Learning Accounts to specifically incentivise first Level 3 management qualifications for adults.

Almost all these recommendations, with the exception of the National Award, are reflected in some form in the Leitch Final Report.

Following the publication of the Leitch Final Report, the Panel has agreed eight actions:

“There is a plethora of initiatives, approaches and institutions for leadership and management in the UK, we need determined leadership to champion what works and to drive improvements in curricula development and delivery, particularly at intermediate management levels”

1. Identify where leading employers can drive good practice in leadership and management development.

Invite leading employer bodies, SSCs, RDAs and others to submit clear ideas on how leading employers can help others in the development of managers and leaders

2. Through a national award raise the profile of employers demonstrating outstanding leadership

Work with CMI and IIP to scope out the criteria and method for a UK wide award for outstanding leadership

3. Ensure SSCs understand and articulate the leadership and management needs of each sector

As recommended by the Leitch Review ensure that the Panel is able to advise the Commission for Employment and Skills on developing National Occupational Standards for management and that the panel will work closely with SSCs so that key management qualifications are identified as part of Sector Qualification Strategies.

Support and feed into the development of the SSCs' strategy for leadership and management development

4. Champion what works by identifying and promoting best practice in leadership and management

Objectively consider the business case for a National Skills Academy for leadership and management

Synthesise existing evidence and research to determine benchmarks for effective delivery of leadership and management development, particularly looking to draw upon the practice of leading employers/Skills for Business Network

Using the benchmarks begin to populate examples of what is effective practice in leadership and management development

Ensure that the Panel continues to live up to its UK wide remit by drawing on the experience of the devolved administrations

5. Develop a new economy between Higher Education and SMEs

As recommended in the Leitch Review of Skills work with SSCs employers and HEIs to improve knowledge, innovation and dialogue between employers and academics

Promote examples of innovative practice across the UK.

6. Ensure business support providers and brokers are proactive in signposting to quality leadership and management development opportunities

Ask RDAs and SSCs to demonstrate how they are stimulating demand across the UK and with the LSC intelligently signposting to development opportunities

Champion examples of effective signposting

7. Champion the current Leadership and Management Programme, and recommend it be extended to organisations of 10+ employees, and focus on the hard to reach

Support Leitch's recommendations by advocating the extension of the current Leadership and Management Programme to include companies with 10 – 20 employees and ask the LSC to demonstrate how the offer is being sustained through Train to Gain

Identify innovative practice in current leadership and management programmes and promote this across UK regions and sectors

8. Identify and understand how to improve access to leadership and management learning opportunities for individuals.

Work with key stakeholders (e.g. CMI and ILM) to identify and understand how to improve engagement and access to leadership and management learning opportunities.

Advocate and promote examples of good practice.

12. Learning and Qualifications for Management, Leadership and Enterprise

The Management Standards Centre are working with partners across the UK to agree – and commit to working on – an ambitious strategy to develop the world class managers, leaders and entrepreneurs essential for the UK’s continuing economic prosperity.

The **vision** and the **principles** upon which the future system of learning and qualifications for management, leadership and enterprise should be based, are described below. This is fully aligned with the recent Leitch Review of Skills.⁵

The Future of Learning and Qualifications for Management, Leadership and Enterprise.

Our Vision

Appropriate and attractive learning opportunities will be available to develop the knowledge, skills and performance of all managers, leaders and entrepreneurs to world-class standards and allow the accumulation of credits into credible and valuable qualifications.

Principles

These ten principles will be used consistently to check whether management, leadership and enterprise learning and qualifications are fit for purpose.

1. Learning and qualifications will deliver tangible benefits for managers, leaders, entrepreneurs and their organisations

Employers, managers and leaders will take the lead in designing learning and qualifications that deliver improvements in both individual and organisational performance in line with the organisation’s business strategy and the individual’s career aspirations.

2. Learning and qualifications will be based on National Occupational Standards as the common currency

Learning and qualifications will clearly show how they contribute to the development of competent performance as specified in the National Occupational Standards (NOS) and/or to developing the knowledge and skills required for competent performance.

3. Learning and accreditation will be available when learners require them in relatively small units which can be accumulated into meaningful qualifications

Using NOS as building blocks, learning and accreditation will be readily available in “bite-size chunks” which are immediately of use and which can be accumulated over time to obtain qualifications relevant to the individual’s role and/or career aspirations.

4. Learning and qualifications will be delivered in diverse formats which meet individuals’ learning needs and styles

Learning and qualifications will cover the full management, leadership and enterprise curriculum as defined by NOS and be offered in a wide range of modes of learning and accreditation – formal, non-formal and informal – that fit in with learners’ work and lifestyles.

⁵ These proposals were the subject of wide-ranging consultation between January and March 2007.

5. Learning and qualifications will be portable and support individuals' career progression

Learning and qualifications will support the transfer of knowledge, skills and competence from one situation to another, helping individuals to progress both vertically (promotion) and horizontally (change of job or redeployment).

6. The learning and qualifications system will encourage continuing professional and personal development of managers, leaders and entrepreneurs

Formal systems of Continuing Professional Development (CPD) regulated by professional bodies will provide opportunities to encourage managers, leaders and entrepreneurs to continue to develop their knowledge, skills and competence in less formal ways.

7. Learning and qualifications will be accessible and easily understood by employers, managers, leaders and entrepreneurs

Delivered by a plurality of providers (academic institutions, professional bodies, awarding bodies and independent providers) and a wide range of modes of learning and accreditation, learning and qualifications will be presented in ways which are easily understood and clearly describe the relationships between different types and levels of learning and qualifications. The use of NOS as the common currency will help this.

8. Learning and qualifications will be credible and inspire confidence in employers, managers, leaders and entrepreneurs

Learning and qualifications will include formal quality assurance systems and user feedback mechanisms to ensure that the learning and qualifications on offer are fit for purpose.

9. Public funding will be used to support the development, promotion and diversity of learning and qualifications, but not to finance delivery

There may well be a need for the Government to intervene to promote learning and qualifications, develop the required infrastructure, support innovation and encourage take-up by under-represented groups. However, the mainstream delivery of management, leadership and enterprise learning and qualifications will be subject to market forces and not reliant on public funds.

10. Schools, Further and Higher Education Institutions will ensure those entering the workforce have the essential skills required for employment

Schools, FE and HE institutions will help their students develop the communications, team working, creativity, reasoning, comprehension, analytical and problem-solving skills necessary for effective functioning as managers, leaders and entrepreneurs.

Postscript
Tomorrow's Manager

13. Tomorrow's Manager

This is an extract from *Working in the Twenty-First Century* by Michael Moynagh and Richard Worsley published by the Economic and Social Research Council (ESRC): The Tomorrow Project, in 2005

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

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

- There will be dramatic changes in how people work. Today over five million people, almost a fifth of employees, spend more time working from home or on the move. Mobile workers, who work in a hotel, an airport lounge, or a motorway service station, will be one of the fastest growing groups of employees. New techniques to manage these workers will transform how employees are supervised.
 - Organisations will turn on their heads as workers at the bottom lead innovation – but this development will come slowly. In time, managers at the top will no longer be the prime leaders of change: they will design sophisticated networks that link up individuals and enable others to take the lead. Being at the top will be about designing, managing, and repairing these networks. New methods of combining control with radical decentralisation will make this transformation possible.
 - Outsourcing to British-based suppliers will be limited, though offshoring will expand steadily. Some activities will be outsourced, but others will be brought back in-house so that managers can keep control. Employers will be more discerning in what they outsource and what they don't.
 - League tables and target-setting will be revolutionised. Measuring the capacity to learn and improve will replace crude measurements of output.
 - Some organisations will align incentive pay more closely to elements that are vital for performance. Others will move away from incentive pay altogether. Pay packages will include help with paying off the mortgage, new savings schemes and the choice between longer holidays and higher pay.
 - Trade unions are unlikely to make a strong come-back. New forms of employee involvement will spread, often driven by changes in employment law, and workers will become more litigious.
 - Workers will be entitled to more holidays and to work fewer hours each week. But more people will ignore these entitlements and bring work home in the evening and take their laptops on holiday. To overcome skill shortages, government will prioritise better childcare to free up mothers to work full-time.
 - Flexible labour markets, traditionally understood, will become less important to employers than 'intelligent flexibility' – smart methods of working that require individuals to be more adaptable. This flexibility will be dictated more by the needs of the employers than workers.
- ... Four themes tie many of the changes together
- Moving up the value chain will create new types of employment and transform how people work
 - Tight labour markets will encourage employers to search for new sources of skill, develop policies to retain labour and listen to their workers carefully
 - Changes in how people work will be more significant than how they are employed. Jobs for life are not about to disappear, for example, but we shall see more mobile forms of work.
 - New forms of management will include innovative approaches to reward, to measuring performance and to encourage 'responsible' workers, who will use their greater autonomy to promote the organisation's goals.
- Taken together, these developments will revolutionise work. But because most changes will be incremental and people will be more used to change, the revolution will feel like evolution."

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Appendices

APPENDIX I

POLICY CONTEXT

The vision and strategic objectives of the Welsh Assembly Government's Economic Development Strategy are set out in *A Winning Wales*:

To achieve a prosperous Welsh economy that is dynamic, inclusive and sustainable, based on successful, innovative businesses with highly skilled, well-motivated people.

which are re-emphasised in *Wales: A Better Country*

Vision: promoting a diverse, competitive, high added-value economy, with high quality skills and education, that minimises demands on the environment.

In economic policy, *A Winning Wales*, with the accompanying Action Plans for Skills, Innovation, Entrepreneurship, Business and the Environment and Trade, set out a ten year vision for building a Wales which will help to create and attract high added-value businesses, promote enterprise, create the conditions for sustainable employment and support long term jobs in all our communities.

More recently the Welsh Assembly Government has published a revised economic development strategy *Wales: A Vibrant Economy* which contains this reference to management and leadership:

Increasing importance is also attached to improving management skills and leadership qualities in senior executives. Numerous studies have identified differences in management skills as having a significant impact on individual business growth and, more generally, national levels of GVA per job. Improving management and leadership capabilities also contributes to entrepreneurship and stimulates appetite to embrace innovation. The Wales Management Council plays an active role in helping to promote both the importance of professional management development and the opportunities that exist for managers and leaders in Wales to develop their skill sets. This is likely to be an area that will continue to grow in importance over time.

This was followed by the education and skills policy document *A Learning Country: Vision into Action* which states that:

We want to strengthen the contribution of education and training to economic development. We want learning to be an every day part of working and non-working life, in which the interests of learners come first.

building on the

... new Workforce Development Programme which provides in-depth support to business, supported by action plans to improve Leadership and Management and to assist more organisations to become Investors in People

A Learning Country: Vision into Action contains the following objectives to "improve skills and add value to the Welsh economy":

- Support Leadership and Management Development training for organisations to help drive forward economic development
- Promote still further the benefits of the Investors in People standards and help organisations to achieve it.

APPENDIX 2

CABINET SUB-COMMITTEE ON JOBS AND SKILLS

Leadership and Management Development in Wales

Summary

Lord Leitch has called for a step change in the development of skills within the UK. The development of leadership and management skills is highlighted by Leitch and by other bodies as a key component in the drive to improve UK competitiveness and through that to safeguard existing and provide new job opportunities. DEIN and DELLS are collaborating with the Wales Management Council upon the development of a new strategy to take forward this agenda in Wales. This paper sets out and seeks endorsement of the anticipated direction of the new strategy.

Background

1. Key Welsh Assembly Government strategic documents such as W:AVE, A Learning Country : Vision into Action and the Convergence Programme document recently submitted to the European Commission all reference the importance of effective leaders and managers as key drivers for economic growth and as essential in the development of a skilled workforce.
2. The recent report by Lord Leitch determines that many employers need support to ensure that they have sufficient management and leadership ability to deploy skills effectively. Over one half of CBI employers cite improving leadership and management skills as the most significant factor contributing to competitiveness.
3. DEIN and DELLS have been working closely with the Wales Management Council to implement proposals contained within the joint action plan entitled "Improving Management Development and Leadership in Wales". This action plan was launched jointly by Jane Davidson and Andrew Davies in July 2005.
4. This Action Plan, with other strategic documents, including the Wales Management Council Agenda for Growth and the Skills and Employment Action Plan 2005, provide a platform on which to build a new strategic plan for Leadership and Management Development in Wales for 2007 – 2013.

Issues

5. The new strategy will be required both to build upon and to expand the work started in the implementation of previous action plans and must lead to the creation of new and innovative approaches that will revolutionise our approach and dramatically 'up the game' for Wales.
6. In line with the Leitch recommendations for skills development, it is vital that we make a 'step change' in the approach taken to developing leaders and managers in Wales. To achieve the impact needed it is certain that additional funding will need to be made available to support the implementation of the new strategy which DEIN and DELLS are currently developing with the Wales Management Council. The scale of the funding requirement is yet to be identified but there is a clear potential to draw down European funding to support attainment of our objectives. The new strategy will therefore be important in providing the framework for the use of European funds to support Leadership and Management Development activity.
7. It is recommended that the new strategy should focus upon:
 - The development of a promotional campaign to promote Leadership and Management Development as a solutions focused key to business success.

- Encouragement and support in the use of diagnostic tools to help managers identify their learning needs in the context of improving business performance.
- The development of an information source for employers and individuals which makes sense of and enables access to the plethora of Leadership and Management Development provision available.
- Review and re-definition of the Leadership and Management Development workshop programme, to provide a sector focused response to needs identified through the Sector Skills Agreement process, which addresses market failure and targets the hardest to reach SMEs.
- Development of a major programme to train and build a supportive network of coaches and mentors across Wales.
- Investment in the facilitation of learning networks within industry sectors and across supply chains.
- Consideration of how innovation can be applied to encourage the take up of the Investors in People model as an important driver for Leadership and Management Development.
- Consideration of how flexible funding arrangements might support agreed priority activity.
- Further development of the expertise within the HRD adviser network to promote Leadership and Management Development within companies.
- Building the capacity of the information source to allow quality assurance mechanisms to influence selection process
- Use of best practice examples from home and abroad to inform future development and enable Wales to benchmark against the best.

Financial Implications

8. Budget cover currently exists for delivery of the Leadership and Management Development activity. The DELLS/DEIN budget currently includes £350k for the Wales Management Council which will allow the development of the final strategy. A total of £4 million is also available through Business Support programme funding. Additional funding will need to be made available to support the implementation of the strategy. The scale of the funding requirement is yet to be determined and will not be known until the final report is produced, however, there is the potential to draw down European funds to support any revised arrangements and utilise current budgets as match funding, but you should note that this would only be possible within the revised match funding arrangements being developed in the Resource Assessment Exercise.
9. Once the final version of the strategy is submitted we will assess the full costs of implementation and advise you accordingly. Should European Funding not be available we may need to tailor our responses accordingly whilst ensuring key elements of the strategy are delivered, alternatively, we may need to re-prioritise our existing budgets. Any additional costs will therefore be met from within future DELLS/DEIN budget allocations (FP1942)

Recommendations

Minister are asked to approve the recommendations within this paper and to comment on whether they provide an appropriate direction for the use of Structural funds in support of delivery of Leadership and Management Development in Wales.

Jane Davidson AM/Andrew Davies AM
March / 2007

APPENDIX 3

MANAGEMENT AND LEADERSHIP DEVELOPMENT ACTION PLAN

The Action Plan builds heavily on the recommendations in our *Agenda for Growth*.

Key actions are:

- **Workshops**

A new all-Wales, rolling programme of management and leadership development workshops. Target 6000 managers in 4000 businesses. Total budget £1.5m per year, plus European bids for a further £1m per year for three years.

- **Workforce learning account**

A new programme of flexible support for workforce development, to replace Company Learning Accounts.

- **IIP Management and Leadership Model**

Greater encouragement for organisations to pursue recognition against the IIP Management and Leadership model.

- **IIP Networks**

Regular meetings of those involved as assessors, advisors, panel members, and trainees involved in the delivery of IIP across Wales.

- **Networks**

Plans to develop, use and exploit networks as a vital part of the learning process.

- **People in Business**

Develop and implement a new People in Business programme of events in partnership with WDA.

- **Mentoring support**

Work in partnership with Wales Management Council to explore ways in which mentoring support in Wales can be developed.

- **Project management competencies**

Work with WDA to develop tools to assess and develop project management competencies for beneficiaries of WDA's Shared Investment Programme.

- **Provider networks**

Develop an all-Wales provider network from those who win the contracts to deliver the Workshop Programme, and encourage collaboration.

- **Diagnostic Tool**

Work with Wales Management Council to pilot diagnostic tools in particular sectors, starting with construction.

- **Marketing**

Develop a marketing strategy for management and leadership development in Wales in line with Wales Management Council recommendations.

- **Evaluation tool for SMEs**

Wales Management Council are working with Cardiff Business School to develop an evaluation tool for SMEs.

- **Evaluation**

Develop a framework to evaluate and monitor the outcomes and impact of management and leadership development in Wales in line with Wales Management Council recommendations.

- **Management and Leadership Group**

A report outlining the progress of the Action Plan will be presented at the quarterly meetings of the Management and Leadership Group chaired by the Wales Management Council.

APPENDIX 4

LEITCH REVIEW OF SKILLS

I. Introduction

Lord Sandy Leitch's final report, *Prosperity for all in the global economy – world class skills*, was published in December 2006, and can be downloaded from www.hm-treasury.gov.uk/leitch.

The report runs to 148 pages, and contains some 750 paragraphs, each with important statements to make about skills in the UK. The tone is set by Lord Leitch's opening paragraphs in his Foreword

In the 19th Century, the UK had the natural resources, the labour force, and the inspiration to lead the world into the Industrial Revolution. Today, we are witnessing a different type of revolution. For developed countries who cannot compete on natural resources and low labour costs, success demands a more service-led economy and high value-added industry.

In the 21st Century, our natural resource is our people – and their potential is both untapped and vast. Skills will unlock that potential. The prize for our country will be enormous – higher productivity, the creation of wealth and social justice.

The alternative? Without increased skills, we would condemn ourselves to a lingering decline in competitiveness, diminishing economic growth and a bleaker future for all.

The case for action is compelling and urgent. Becoming a world leader in skills will enable the UK to compete with the best in the world. I am very optimistic.

Page 1

The rest of the report is written in similar uncompromising terms.

Lord Leitch also makes it clear throughout the report that

We have worked closely with the Devolved Administrations in Northern Ireland, Scotland and Wales. While many of our recommendations are specific to England, the issues are common to the four countries. The Devolved Administrations are analysing what best applies to them.

Page 2

This summary extracts from the report the main paragraphs that relate to the development of management and leadership skills, but excludes recommendations or observations that are specifically related to systems, procedures or programmes in England, except where these provide a useful comparator for Wales.

It is important to note at the outset that there are some 60 paragraphs reproduced below, which represent only about 8% of the total. The percentage speaks for itself. Whilst it is clear that Lord Leitch considers management and leadership skills to be of great importance to our productivity and economic health, in terms of the use of public funds they have a lower order of priority in his recommendations than low or basic skills.

The paragraphs are reproduced in chapter order, and each section is headed with the chapter and sub- titles used in the report. Repetitions reflect those in the report.

The final section contains our own thoughts and observations.

2. Executive Summary

• **Productivity**

“... Productivity in the UK still lags behind that of comparator nations: the average French worker produces 20 per cent more per hour than the average UK worker, the average German worker 13 per cent more, and the average US worker 18 per cent more. Skills are a key lever within our control to improve productivity in the workplace – one fifth or more of the UK’s productivity gap with countries such as France and Germany results from the UK’s relatively poor skills. Differences in management practices between the USA and UK, for example, explain 10 to 15 per cent of the productivity gap in manufacturing between the two countries. This indicates that both skills provision and management are important elements in increasing productivity.

Productivity is increasingly driven by skills. The ability of firms to succeed in the face of growing international competition depends increasingly on the skilled labour force they can draw from. Skilled workers are better able to adapt to new technologies and market opportunities. Higher level skills drive innovation, facilitate investment and improve leadership and management. For innovation to be effectively implemented, businesses must be able to draw on a flexible and skilled workforce.”

Para 8 -9, pages 7 - 8

• **The UK’s historic skills deficit**

“... The UK skills base remains mediocre by international standards. In OECD comparisons of 30 countries, the UK lies 17th in low skills, 20th on intermediate and 11th on high skills. 7 million adults lack functional numeracy and 5 million lack functional literacy....The proportion of people with high skills is internationally average, but not world leading.”

Para 16, page 10

• **Skills projections for 2020**

“... Skill demands will increase at every single level. Better skills will be needed at higher levels to drive leadership, management and innovation – these are key drivers of productivity growth. Intermediate skills must be improved to implement investment and innovation. Basic skills are essential for people to be able to adapt to change. People lacking basic skills will be at most risk of exclusion in a global economy.”

Para 29, page 13

“More than 70 per cent of the 2020 working age population are already over the age of 16. As the global economy changes and working lives lengthen with population ageing, adults will increasingly need to update their skills in the workforce. There is a pressing need to raise the rates of skills improvements among adults – the UK cannot reach a world class ambition by 2020 without this.”

Para 31, page 13

• **A national ambition for world class skills**

“The Review has concluded that the UK must commit itself to a world class skills base in order to secure prosperity and fairness in the new global economy. The Review recommends moving the UK into the top eight in the world at each skill level by 2020, achieving the top quartile in the OECD.

The Review’s analysis shows that achieving world class skills will require the UK to commit to achieving by 2020:

- 95 per cent of adults to have functional literacy and numeracy (basic skills) up from 85 per cent literacy and 79 per cent numeracy in 2005; more than trebling projected rates of improvement

- exceeding 90 per cent of the adult population qualified to at least Level 2, with a commitment to achieving world class levels as soon as feasible, currently projected to be 95 per cent. An increase from 69 per cent in 2005
- shifting the balance of intermediate skills from Level 2 to Level 3. Improving the esteem, quantity and quality of intermediate skills
- world class high skills, exceeding 40 per cent of the adult population qualified to level 4 and above, up from 29 per cent in 2005, with a commitment to continue progression ... Increase focus on Level 5 and above skills.”

Paras 34 – 35, page 14

- ***The impact of world class skills: balance of responsibility***

“The costs of raised ambitions must be shared between government, employers and individuals. Government investment in skills should be focused on ensuring everyone has the opportunity to build a basic platform of skills, tackling market failures and targeting help where it is needed most. There are market failures at all skill levels, but these impact most at the bottom end. The Review recommends a much clearer balance of financial responsibility, based on clear principles of Government funding to be targeted at market failure and responsibility shared according to economic benefit. To meet additional investment this means:

- the Government should provide the bulk of funding for basic skills and the platform of skills for employability, with employers cooperating to ensure employees are able to achieve these skills;
- for higher intermediate skills (Level 3) employers and individuals should make a much higher contribution, in the order of at least 50 per cent; and
- at Level 4 and above, individuals and employers should pay the bulk of the additional costs as they will benefit most.”

Para 40, page 15

- ***High skills***

“A highly skilled workforce drives innovation, leadership and management, enabling businesses to compete in the global economy. Ensuring high skills are of world class quality and relevance to the economy is just as important as determining the quantity of people that should be qualified to these levels. The Review’s world class ambitions requires increased engagement and investment from employers with higher education, to drive management, innovation and workforce development”

Para 67, page 21

“Skills must be effectively used for their benefits to be fully realised. Many small employers need support to ensure that they have sufficient management and leadership ability to deploy skills effectively. They also need access to impartial advice so that they can invest effectively in skills that will benefit their business. Employers are already investing a lot in improving management skills, though evidence shows it is less than elsewhere in Europe. Over one half of CBI employers cite improving management and leadership skills as the most significant factor contributing to competitiveness. Over 30,000 firms have signed up to IIP standards, demonstrating a commitment to improving management.

To further improve UK’s management and leadership, the Review recommends that SSCs and skill brokers drive up employer investment in management skills...”

Paras 69 – 70, page 22

3. The Increasing Importance of Skills (Chapter 1)

- **Business productivity**

“Improving the skills of workers increases the productivity of businesses and helps them to compete in the global economy. Evidence clearly demonstrates that higher skills are associated with increased productivity and increased business outcomes at firm level. The higher wages that firms are prepared to pay workers with higher qualifications provide a measure of the impact of skills on productivity – in general, firms would not pay them higher wages if they were not more productive.”

Para 1.9, page 30

4. The UK's Skills Base (Chapter 2)

- **Impact on business**

“...The Confederation of British Industry's (CBI) recent (2006) Employer Trends Survey found that employers place the highest priority for training on leadership and management skills.”

Para 2.9, page 41

- **Current investment in skills**

“Employers, individuals and the Government all invest significantly in skills improvements. In England employers spend around £2.4 million on direct course costs and up to £17.4 billion in total, excluding wages of employees. Employer investment in skills varies significantly by type of employee, type of employer and sector of the economy. Training by employers is disproportionately focused on highly-skilled workers, who are five times more likely to be trained at work than low skill workers. Around one third of firms do no training at all, and this varies between 50 per cent of employers in some sectors to just under 5 per cent in the best performing sectors.”

Para 2.33, page 50

- **Employer investment in training**

“Much employer investment in skills takes place outside the publicly funded system. More than one half of this is spent on on-the-job training and the wages of employees when in training. 12 per cent of employees receive training to nationally recognised qualifications each year, and 6 per cent receive training in NVQs. Less than 10 per cent of employer training is delivered by FE providers

On the job training is a vital source of skills development and not all training should be formal. However, focusing as much training as possible on qualifications, as long as qualifications reflect economically valuable skills, brings enormous benefits to both individuals and employers. Employers are prepared to pay significantly higher wages for those with qualifications“

Paras 2.37 – 2.38, pages 50 -51

- **Effective use of skills**

“Skills are a derived demand: employers' skills needs are a consequence of their product strategy and the firm's characteristics. Management is a key determinant of an employer's product or service strategy and whether the skills are used effectively. The quality of management and leadership varies both between and within sectors. Comparative research on a wide range of best management practices in manufacturing firms in the USA, UK, France and Germany has shown USA firms to be the best managed and UK firms to be the most poorly managed. In addition, a low proportion of employers in the UK with managerial staff provide training for them.”

Para 2.41, page 52

5. World Class Skills (Chapter 3)

• **Underpinning delivery**

“The Review’s recommendations have been informed by a view that:

- Everyone should have a good grounding of basic skills and the wider platform of skills for employability represented by Level 2, recognising that there will always be a small proportion of people for whom these skills are not attainable;
- To improve the quality of the UK’s intermediate skills base, the balance of intermediate skills in the adult population should shift from Level 2 to Level 3; and
- World class higher level skills should deliver improved management skills and innovation as well as improving the proportion of people with a full Level 4 qualification and above.”

Para 3.5, pages 56 – 57

• **World class skills**

“Using the OECD benchmark the Review recommends the following ambitions for the UK by 2020:

- 95 per cent of adults with basic skills of functional literacy and numeracy
- exceeding 90 per cent of adults qualified to at least level 2, up from 29% in 2005
- shifting the balance of intermediate skills from Level 2 to Level 3
- exceeding 40 per cent of the adult population to have Level 4 or above, up from 29 per cent today.”

Para 3.6, page 57

• **Balance of responsibility**

“The costs must be shared between Government, individuals and employers. As the Review’s interim report set out, the Government’s investment in skills should be focused on ensuring everyone has the opportunity to build a platform of skills and tackling market failures. It set out evidence that there are key market failures at all skill levels, but that these are most prevalent at the bottom end. This suggests that government funding should be focused on low skills, and that responsibility should be shared with employers and individuals further up, where there are clear private returns

... The Review recommends a much clearer financial balance of responsibility, based on clear principles of government funding targeted at market failure and responsibility shared according to economic benefit. In practice this means for the additional cost of raised ambition:

- the Government should provide the bulk of funding for basic and Level 2 skills, with employers cooperating to ensure employees are able to achieve these skills;
- for higher intermediate skills (Level 3) employers and individuals should make a much higher contribution, in the order of at least 50 per cent; and
- at Level 4 and above, individuals and employer should pay the bulk of the costs as they will benefit most.”

Paras 3.15 – 3.16, pages 58 – 59

• **Market failure in skills**

“The main areas of market failure are as follows:

Time preference and risk: These are short-termist attitudes to investment in skills and their future returns by employers and individuals. Investing in skills is a risk; neither individuals nor employers can be certain of the benefits they will gain if they invest in training. Both may be concerned they will not receive a sufficient return, or may prefer to do other things with their time.

Credit market failure: This occurs when individuals or firms are not able to borrow the costs of training, even where this training would most likely deliver a positive return. It can be more difficult to secure loans against human capital than other forms of investment. Individuals and firms may lack the necessary credit history to acquire loans and so be unable to invest in skills that would benefit them in the longer term.

Information failure: This occurs when the information available to individuals or firms is incomplete or imperfect, or when some have more or different information to others. This might be awareness of the benefits of skills improvements, or information about the quality and content of particular courses and particular institutions.

Externalities: These are the social costs or benefits of decisions that are felt more broadly than just through returns to individuals or firms. An individual or business will make decisions on investment in skills based on their assessment of the costs and benefits to themselves. They will not take full account of any wider benefits to society or spillover effects on other firms.

The evidence shows that these market failures are more likely to impact at the lower end, meaning that government intervention is most justified in low skills. However, market failures, particularly externalities, also occur at the higher skills end.”

Box 3.1, page 59

- **The benefits of world class skills**

“The Review’s Interim Report introduced a Cost Benefit Analysis (which) showed that the benefits of investing in skills clearly and significantly outweigh the costs, even under cautious assumptions. It showed that investment in basic skills delivers the biggest returns, equivalent to more than £4 for every £1 invested. High skills drive innovation and leadership, but these gains cannot be realised unless the workforce has the platform of skills and flexibility to adapt and change.”

Para 3.19, page 60

- **High skills**

“The increase in the proportion of people qualified to Level 4 has been driven by the Government’s target to move towards 50 per cent of those aged 18 – 30 participating in HE by 2010

The 50 per cent target has provided an incentive for the HE sector to focus on increasing the number of young people going to university. However, some of this focus has been at the expense of engaging with employers and increasing workforce development. Moreover, the target tends to prioritise first full degrees and traditional undergraduate study, where funding levels are higher, ahead of part-time opportunities for employees and more focused high skills course that reflect the needs of employers

Concentrating too much on younger age groups could create further long term problems for the amount and use of high level skills in our work force. With more young people qualified to this level and fewer older people, it increases the likelihood of poor deployment of higher-level skills with relatively under-skilled owners, managers and leaders unable to find the best uses for new graduate recruits

This Review recommends a rebalancing of the priorities of HE institutions to make available relevant, flexible and responsive provision that meets the high skills needs of employers and their staff.”

Paras 3.54 –3.56, 3.61, pages 67 – 68

- **Postgraduate skills**

“One of the most powerful levers for improving productivity will be higher level skills. Postgraduate, or Level 5 skills, such as MBAs and PhDs, can provide significant returns to organisations, individuals and to the economy as a whole. These higher level skills are key drivers of innovation, entrepreneurship, management, leadership and research and development. All these are critical to a high skills, high performance economy and increasingly in demand from high performance, global employers. Level 5 skills should also be an important feature of greater employer collaboration with HE

Para 3.64, page 68

- **Delivering world class skills**

“For the benefits of world class skills to be realised, the Review recommends the following principles underpin their delivery:

- *Shared responsibility:* Employers, individuals and the Government must increase action and investment. Employers and individuals should contribute most where they derive the greatest private returns. Government investment must focus on market failures, ensuring a basic platform of skills for all, targeting help where it is needed most.
- *Focus on economically valuable skills:* Skill developments must provide real returns for individuals, employers and society. Wherever possible, skills should be portable to deliver mobility in the labour market for individuals and employers.
- *Demand-led skills:* The skills system must meet the needs of individuals and employers. Vocational skills must be demand-led rather than centrally planned.
- *Adapt and respond:* No one can accurately predict future demand for particular skill types. The framework must adapt and respond to future market needs.
- *Build on existing structures:* Don't always chop and change. Instead, improve the performance of current structures through simplification and rationalisation, stronger performance management and clearer remits. Continuity is important.”

Para 3.68, page 69

- **A new partnership**

“The Review recommends a new partnership approach, building on the success of recent initiatives to build a more demand-led system, meeting the challenges the UK faces through common action. In practice, this means:

- *Government,* investing more, focusing on the least skilled. Ensuring that the education system delivers a highly-skilled flow into the workforce. Creating a framework to ensure employers and individuals drive the skills system to deliver economically valuable skills. Being prepared to act on market failures, targeting help where it is most needed. Regulate if necessary and with care to reach the UK's skills ambitions.
- *Employers,* to increase their investment in skills to impact productivity, wherever possible increasing investment in portable accredited training. Ensuring the skills system delivers economically valuable skills by effectively influencing the system. Pledging to support their low-skilled employees to reach at last a first full Level 2. Introducing sectoral measures, such as levies, where a majority of employers in the sector agree.
- *Individuals,* raising their aspirations and awareness. Demanding more of their employers. Investing more in their own skills development.”

Para 3.69, page 70

6. A Demand Led Skills System (Chapter 4)

• *Commission for Employment and Skills*

“Strengthen the employer voice through the creation of a dynamic, employer-led Commission for Employment and Skills to deliver greater leadership and influence, within a national framework of individual rights and responsibilities. This will rationalise the existing system by merging and streamlining the Sector Skills Development Agency (SSDA) and the National Employment Panel (NEP), both operating across the UK, into a new organisation. It will be responsible for:

- Reporting on progress towards the UK’s world class ambitions; scrutinising system objectives and delivery; recommending policy and operational improvements and innovations; and
- SSCs and a network of Employment and Skills Boards.

The Devolved Administrations in Scotland, Wales and Northern Ireland have responsibility for education and skills policy. Additional responsibilities in the Devolved Administrations will be the subject of discussions and agreement with the Governments in each country.”

Paras 4.22, 4.24, page 77

• *Sector Skills Councils*

“The Review recommends a new, clearer remit for SSCs, focused on:

- *Lead role in vocational qualifications:* SSCs will be responsible for identifying and approving vocational qualifications for their sectors in England with only SSC-approved, vocational qualifications at NVQ Levels 1 to 5, including Foundation Degrees, eligible for public funding
- *Lead role in collating and communicating sectoral labour market data:* Each SSC should be responsible for ensuring up to date labour market information, which is consistent and comparable across sectors, and for communicating the occupational needs of the sector.
- *Raising employer engagement, demand and investment:* Drawing up Sector Skills Agreements among employers on the demand side that include hard attainment targets for employers to deliver improvements in skills, including Apprenticeships and National Skills Academies.
- *Considering collective measures:* Considering whether there is support within a sector for introducing collective measures, such as a levy or licence to practise. Such measures should not be forced on the sector. As now, SSCs should introduce them if a clear majority of employers support them.”

Para 4.27, page 79

• *Ensuring qualifications reflect economically valuable skills*

“Much of the publicly funded vocational system is focused on delivering qualifications. The Review’s skills ambition is not solely focused on qualifications ... employers and individuals improve skills in a number of ways, all of which are important. Qualifications provide a useful international benchmark and are valued by employers and individuals as a proxy for skills.

Employers value the signals that qualifications provide about the abilities of individuals when they are recruiting staff ... as well as providing portability for individuals in the labour market.

The majority of individuals prefer studying towards a qualification and over one half of employers feel it is quite or very important that the training provided leads to a qualification....

However, qualifications only add economic value when they deliver the skills that employers and individuals need. The higher wages that employers are prepared to pay to those with particular qualifications are a measure of the value employers attach to them and how closely they match the

skills valued by employers. At present too many qualifications, particularly at Level 2, have low or no wage returns, suggesting that they too often lack economic value. Some NVQ2s have no wage return, although they have a return of around 6 per cent when delivered in the workplace. This compares to an average return of around 15 per cent for A levels, and 25 per cent for five GCSEs at Grades A* - C.

... According to a survey for QCA, ACCAC (Wales) and CCEA (Northern Ireland) in 2005 'too many qualifications within the same sectors led to widespread confusion, reinforced by a lack of understanding of what the different levels of qualifications actually meant.' "

Paras 4.29 – 4.33, pages 79 – 70

• **Employer- driven vocational qualifications**

"The Review recommends that Sector Skills Councils continue to lead in developing National Occupational Standards, the building blocks of qualifications. It recommends that SSCs are also placed in charge of a simplified process of approving qualifications that follows this. In practice this means:

- Sector Skills Councils should be responsible for approving qualifications after their development by awarding bodies or other organisations. They should reject qualifications if they fail adequately to capture the competences laid down in the occupational standards....
- SSCs will be able to approve qualifications developed by an organisation, including educational institutions and employers, if these meet the required standards; and
- For vocational qualifications, only those approved by SSCs should qualify for public funding. This would apply to funding for work-based learning qualifications such as NVQs, including Levels 4 and 5, through the LSC in England. SSCs should develop a short list of such qualifications, with a very significant reduction in the overall number, by 2008. Arrangements in Wales, Scotland, and Northern Ireland should be developed by the Devolved Administrations.

In this way only qualifications valued and approved by employers will attract public funding. The Commission will be responsible for performance managing the SSCs to make sure they perform this role effectively and that they collaborate appropriately together and with other bodies over generic skills and competencies.....

A further important aspect of this reformed system will be to allow SSCs to approve new qualifications based on employers' own internal training where this meets national quality assurance requirements. This includes higher level provision offered by employers, where it is of sufficiently high standard. This means that employers will be able to offer their own, nationally recognised qualifications, where training has clear economic value.

Similarly, colleges and other providers should be able to offer their own qualifications, subject to SSC approval and consistency with a national regulatory framework. This will happen where such qualifications are of clear economic value, demonstrably relevant to employers, and fill a clear gap in the market."

Paras 4.41 – 4.43, 4.45, pages 83 – 84

7. Employer Engagement in Skills (Chapter 5)

"Evidence shows that in some parts of the economy, relatively poor management and leadership can affect both the demand for skills and whether they are used effectively in the workplace.

The Review recommends shared national action from the Government and employers. This will be a 'something for something' deal that ties rights and responsibilities, coupling increased and improved Government effort with increased and improved action by employers. This will deliver:

- *Effective use of skills:* Skill must be effectively used for their benefits to be fully realised. The Review recommends the Government ensure appropriate provision of advice and brokerage services to help businesses to invest effectively in skills, and targeted support to improve management skills to ensure maximum use of skills in the workplace
- *A labour force with a platform of skills World class intermediate skills*
- *Improved high skills:* The Review recommends changes to Government targets and funding to facilitate greater collaboration between employers and universities, in return for hard-edged commitments by employers to increase their investment in high skills.”

Chapter summary, page 87

- **Role of employers**

“More than 70 per cent of the 2020 working age population have already left compulsory education and many of these are in work. The UK cannot rely solely on improving the skills of young people to deliver a world-class skills base in 2020 – those already in the labour market must have the opportunity to improve their skills as the global economy restructures.....

Employers already provide a substantial amount of training for their employees. However, most is unaccredited, training is disproportionately focused on the high skilled, and around one third of firms do no training at all. There are a number of barriers to efficient investment in skills. Lack of awareness of the benefits of training, the cost and time for training, and the quality of leadership and management all constrain the scale and effectiveness of employer training in the UK.”

Paras 5.2, 5.6, page 88

- **A shared mission with employers**

“The Review recommends additional Government action tied to specific employer commitments at each skill level to ensure:

- *Effective use of skills.* The Review recommends additional support and advice to ensure businesses can effectively invest in and use skills. Tied to this, employers have a responsibility to use these services, improving the quality of their leadership and management.
- *World-class high skills:* Widening the target to improve high skills so it focuses on workforce development and providing additional incentives for employers to invest. In return, employers commit to greater attainment of high skills, including through hard targets for achievement in SSAs.” (The last sentence is exactly as it appears).

Para 5.10, page 89

- **Management and leadership**

“Good management is a prerequisite to improving business performance, a key aspect of which is effective use of workforce skills. It is managers in a business that decide on product and service strategies, whether to invest in training and how to deploy the skills of their workers. Improving management skills in the UK has two important effects: it increases the demand for skills and their effective deployment in the workplace, and it improves the overall standards of performance in organisations.

While there are examples of very good management, the UK has some serious problems with management and leadership. Recent work found that the quality of management practice in manufacturing varied widely within countries and sectors, and overall the UK was ranked behind USA, Germany and France. A greater proportion of those classified as ‘managers’ by the Labour Force Survey hold low-level qualifications than in other ‘higher’ level occupations, such as professional occupations. For example, 41% of managers hold less than a Level 2 qualification. This varies significantly across sectors and between firms.

Employers invest a great deal in improving management. The provision of management training is only part of the solution. The Review's interim report showed that employers were up to five times more likely to provide training for managers or other senior staff than those with low or no qualifications. However, a recent study showed that the UK spent 1,600 per manager on management development, less than any other country in Europe and compared with 4,400 in Germany.

Improving management and leadership is already a key objective for business. The CBI describes it as one of the most important priorities, with over one half of their employers believing that it is the most significant factor contributing to competitiveness. The Small Business Service (SBS) also sees management and leadership as vital, stating that 'leadership and management capability is a key determinant of business success'.

The Government has introduced measures to help employers improve the quality of management and leadership in the UK. This has included measures within the Skills Strategy, the formation of the Commission for Excellence in Management and Leadership (Correct name = Council, and now defunct), funding for related training in small businesses and for Investors in People attainment, and the ongoing work of the Leadership and Management Advisory Board.

In the Skills Strategy, DfES allocated £43.7 million for a Leadership and Management programme, offering managers of organisations between 20 and 250 employees up to £1,000 financial support to develop leadership and management skills. This has been largely brokered alongside the Train to Gain programme. Nearly 18,000 managers had their needs assessed, and nearly 17,000 had agreed a Personal Development Plan by the end of March 2006. The SBS found that for every £1,000 of financial support grants given to small businesses through the Leadership and Management Development Programme operated by the LSC, an average additional investment of over £2,000 has been triggered. 35,000 organisations are recognised by Investors in People and a further 23,000 organisations are working towards recognition, demonstrating a commitment to effective management practices.

The UK needs world class management skills to deliver the benefits of world class skills. Improving management and leadership is a complex and challenging problem. Training will only make a contribution to tackling this problem if management training meets the needs of employers. To ensure this, the Review recommends that the Leadership and Management Advisory Panel advise the Commission for Employment and Skills on developing National Occupational Standards for management with the Management Standards Centre and building on the work already done by the Chartered Management Institute. The Panel must work closely with SSCs so that key management qualifications are identified as part of Sector Qualification Strategies.

The Review has developed recommendations to increase employer investment in management skills. As discussed above, the Leadership and Management Programme has successfully supported management development for firms between 20 and 250 employees and has levered in significant private investment. The Review recommends that it be extended to firms between 10 and 20 employees, so that smaller firms are able to access its help and grow.

Employer engagement with HE and commitment to continuous professional development can also help to drive up the quality of management. The growth in UK business school provision shows that employers and universities can successfully work together. The Review's recommendation that the focus of HE be expanded to focus on workforce development with facilitate this, as will the recommendation that funding be demand-led."

Paras 5.13 – 5.21, pages 89 – 91

- **Investors in People**

"Investors in People can engage employers in developing the skills of their employees to enhance business performance, recognising achievement through a common standard. The Government should, in consultation with the Commission and leading employers, review the remit of Investors in People, to consider how IIP UK and its products, including the Standard itself and the new Profile tool, should be reshaped to support delivery of the Review's ambition."

Para 5.41, page 94

- **Higher Education**

“The focus of higher education institutions now needs to be widened to encompass the whole working age population, given there is a clear risk that the existing funding prioritisation and the measurement of qualifying individuals towards the 50 per cent target still constrains this engagement. Furthermore, employers need clearer incentives and mechanisms to engage with and invest in HE. Without addressing these issues, the UK faces the risk that the productivity benefits from increasing the numbers of highly skilled adults are not fully realised. The highest levels of skills drive and facilitate innovation, leadership and management.”

Para 5.64, page 99

8. Embedding a Culture of Learning (Chapter 6)

“The Review has identified five key factors that underpin a culture of learning:

- *Aspiration and motivation:* All individuals must be aware of the benefits from improving their skills and be both encouraged and motivated to do so.
- *Fully informed:* People must be fully informed and impartially advised of how best to improve their skills, based on the economic value attached to particular skills and changes in the labour market.
- *Choice:* Learning must be tailored to the individual, delivered in a flexible, responsive way.
- *Appropriate financial support:* People need to be able to afford to learn. Support to meet the costs of learning at all levels must be targeted at those who face the biggest barriers and credit constraints.

The Review recommends a new offer to adults to help further embed a culture of learning across the country, ensuring everyone gets the help they need to get on in life:

- *Raising awareness and aspiration:* A new and sustained campaign, backed by action in communities, designed to lift aspirations and build awareness across society;
- *Making informed choices:* In England, a new national careers service to ensure that everyone has access to the advice they need to improve their pay and job prospects and build their career in a changing labour market; (*Box 6.2 on page 108 describes the work of Careers Wales*)
- *Increasing choice:* Giving individuals real purchasing power by channelling all funding for individuals through Learner Accounts, which they can use to put toward the accredited learning of their choice; and
- *Ensuring individuals can afford to learn:* Financial support based on the principles of clarity and targeting help to those who need it most.....”

Paras 6.9 – 6.10, pages 105 – 106

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