

Leading and managing in recession: same or different skills?

Executive summary

Leadership research



LSIS LEARNING
AND SKILLS
IMPROVEMENT
SERVICE

“Grow the ecosystem
even when you are
not growing”

Chesbrough and Garman, 2009: 74

A report commissioned by LSIS and produced by the Institute for Employment Studies, the Learning and Skills Network and The Work Foundation

Authors

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Full report

The full report of this research project, *Leading and managing in recession: same or different skills?*, has been published in PDF format and is available to download from the publications area of the LSIS website.

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Executive summary

Introduction

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

- Long- term trends in skills needs for leadership and management through a literature review, including comparisons between the public and private sectors.
- Skills required for leadership and management during periods of difficult financial circumstances in national, public sector, and individual provider contexts.
- Implications of changing customer needs for LSIS provision, drawing on revisions being undertaken by other providers of management and leadership development, primarily in the public sector.

How did we do this research?

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

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

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

- **Strategic thinking and planning** – involving the adoption of a values-based mindset with a commitment to a transformative and distributive leadership model, where appropriate.
- **Partnership working** with other learning providers, including those which may be competitors, and especially local authorities – involving negotiation and influencing skills.
- **Change management** skills including both effective project management and **staff engagement** skills covering empathy, persuasion and resilience to 'take the organisation with you'.
- **Performance management** to support talent management of teams and individuals as well as manage poor performance, relying on communication and motivation skills.

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- General **commercial awareness** and **entrepreneurial skills** to ensure organisational viability in a time of reduced funding – this involves the ability to spot opportunities to develop new provision or deliver existing learning and innovation differently, using skills in creativity and innovation.
- **Financial management** skills – involving using different sources of funding creatively to deliver provision using a mixture of co- investment from individual learners and employers as well as managing budgets and resources effectively at all organisational levels.
- **Procurement/commissioning** skills requiring skills in negotiation, understanding of how to get the best value out of contracts through legal knowledge and how to use partnerships effectively for commissioning.
- **Fostering equality and diversity** of achievement for learners and staff – requiring tenacity to remain committed to the agenda in the face of possibly contradictory pressures.
- **Personal effectiveness** and self-awareness – including the ability to recognise the impact of behaviour on others, modifying it where needed and working under pressure.

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

- The need for financial management skills was found across all levels of seniority of staff.
- Entrepreneurial and commercial skills, as well as an understanding of the changing learning and skills policy context, were the most commonly identified skills needs amongst middle and junior managers.
- Smaller providers were most likely to need to develop skills in partnership working, including contract management and negotiation skills.
- Colleges may have greater skills needs in handling performance management issues than other parts of the sector.

What does the literature tell us?

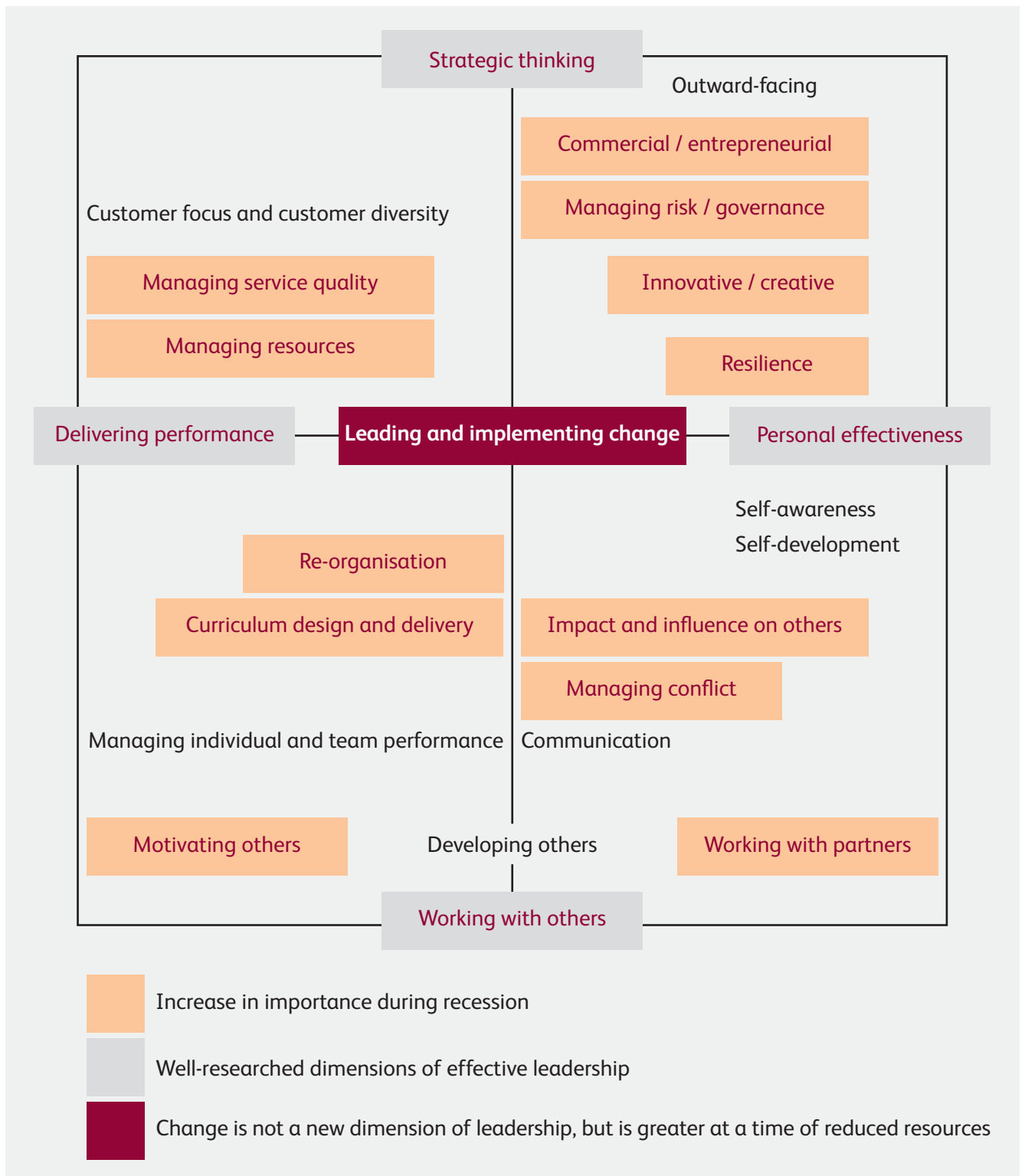
Leadership is not only about skills, it is also role and context-specific.

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

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

Which skills become more important during a tough financial climate?

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



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

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

What does this mean for learning and development provision?

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

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

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

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

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

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

- **Communicates the findings and implications of the research to LSIS staff** involved in the planning and delivery of provision and **more broadly across the sector**. This could help to raise awareness of the skills required during a recession to lead and manage in the learning and skills sector, and so it may contribute to the development of in-house provision for FE organisations.
- **Recognises that creativity and innovation are important for successful leadership and management in the learning and skills sector during a recession**. These skills should be part of other training programmes such as financial management and procurement.
- **Recognises that maintaining equality and diversity of leadership and management are particularly important during a recession to ensure that organisations do not revert to traditional models of leadership**. This creates risks for the development of a diverse talent pool for the long-term and so equality and diversity must remain a priority for organisations. Recruiting and retaining a wide range of staff, including managers, can help to bring new ideas and different approaches to the sector to aid the recovery, while diverse methods of management and leadership will support the development of the sector through the recession.

- **Uses the research findings to audit LSIS leadership and management development provision.** This will help to ensure that the skills needs being met correspond with those identified by sector leaders and stakeholders.
- **Considers the management and leadership skills identified as requiring development as part of curriculum design criteria** and develops the content of bespoke provision with organisations in the learning and skills sector, as well as using the organisations to inform major programmes.
- **Explores the possibility of using secondees as trainers within the sector.** This is currently used effectively by the National Police Improvement Agency (NPIA) to ensure that trainers are up-to-date with practice. It may be a way of supporting those in middle or senior management who cannot progress because they feel they need to stay in post during a recession rather than move on.
- **Supports the FE sector to play a full role within the Total Place initiative** as a development tool to sector leaders and managers and to ensure that FE is effectively represented within Total Place.
- **Maintains support for technology** that assists with leadership and management within the learning and skills sector during recession, following the example of the NHS Institute.

Full report

The full report¹ of this research project has been published in PDF format and is available to download from the publications area of the LSIS website.

1 Learning and Skills Improvement Service, May 2010. *Leading and managing in recession: same or different skills?* Coventry: LSIS.

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Learning and Skills Improvement Service

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