

MANAGEMENT **IN FOCUS**



MANAGEMENT ARTICLES **BY DAVID BROADHEAD**

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Chartered Management Institute
Central and West Yorkshire Branch*



MANAGEMENT IN FOCUS

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For more information on this subject or to find out more about the range of CMI approved 'Intrapreneurial Manager' and 'Transformational Manager' programmes and short courses offered by Partners in Management locally contact David at: david@partnersinmanagement.co.uk

Ever wondered where we have been managerially for the last 30 years and why? What are the likely themes and issues that will determine where we are going next?

Our Branch Education Officer David Broadhead has some controversial views about the subject, not surprisingly, and is not only working hard to discuss these at a national political level but also helping develop a new generation of middle and senior managers from all sectors equipped to survive and prosper through the forthcoming 'zombie economy'.

As background information, over the last 10 years David has independently tutored more than 150 post-graduate managers to Masters level awards through his company Partners in Management, based in the Media Centre Huddersfield. Prior to this he was a Senior Lecturer at Huddersfield University running conventional MBA/DMS programmes which followed a successful senior management career in international manufacturing industry.

So why his concern over the last 30 years? "In my opinion we are now seeing the death throws of a failed social experiment, originating in the Cold War, that has in many ways reduced our society to economic and moral bankruptcy and has had serious negative implications for the managerial profession." says David.

"The focus on micro-managerial control through political obsession with targets and the one-best practice/system approach has removed purpose, meaning and real innovation from organisations. Organisations have seen change as positional and radical without fully understanding the implications and consequences. They are missing real opportunities for meaningful evolution and instead are focussing their resources on just managing systems and processes. This emphasis on management through targets is what Mintzberg refers to as 'deeming' and in essence just pushes problems to the 'point of delivery' where individuals probably have the least opportunity or authority to resolve them.

A further disastrous consequence has been the destruction, particularly in the public sector, of the rich cultures many organisations used to have and which formed the focus of their existence, for example the diminution of head teacher's authority in schools. This has been done in the mistaken belief that promoting individual liberty and destroying controlling elites was the way of the future. The furore over MP's expenses and bankers' bonuses where individual greed and lack of moral responsibility is just one further example of the end product of this failed philosophy."

So what are we going to do about it? "In our view we are in for an austere decade, devoid of external growth due to lack of available finance, manufacturing capacity and skills, particularly innovative ones. There are tremendous opportunities out there particularly given the new emphasis on environmental issues but we need a new mindset in order to succeed and make the most of them.

The skills and managerial mindsets needed will be focussed around collaboration, trust, integrity, authenticity, open communication, individual responsibility, creativity and sustainable, organic innovation. Organisations will become smaller, local, faster and through being effective will by default become inherently more efficient.

The 'efficiency saving' monoliths much favoured by central governments and institutional shareholders will be seen as the dinosaurs of an industrial age and no longer viable in the information age of constellation organisations and cloud computing. Individuals too, although physically still employed by organisations will however be engaged emotionally by brands and organisational identity, ethics and values."

In support of these beliefs, David and his colleagues are pioneering a new range of readily accessible management development programmes all focussed around these key concepts of personal awareness and development, managing sustainable innovation and facilitating

effective change. Passionate about the subject and the role management has to play in rebuilding our society and economy, David has become an Ambassador for CMI locally, has contributed to developing and launching the CMI Manifesto for a 'Better Managed Britain' and also recently spent time in the Houses of Parliament explaining his views to Barry Sheerman MP, the Chair of the All Party Parliamentary Group on Management.

He is also keen to promote the role and significance of the CMgr award too and sees this as a significant aspirational status all managers should aim for in order to demonstrate their competence and commitment to the profession.

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In the last edition I began to set the scene explaining the ‘failed social experiment’ that we have lived through over the last 30 plus years. It was a theme we developed at our first Management Munch in March at which 17 regional members participated in a fascinating and thought provoking discussion encompassing positive and negative liberty, the rationale behind target setting and my personal views on its potentially disastrous impact on the managerial profession.

So what might be the managerial mindset that will successfully enable us to survive and prosper in what has been chillingly termed the ‘zombie economy’? This was the theme for our second Management Munch held mid-May. Here we debated what good management would look like, what skills and attributes a successful manager might have, how these might be developed and than what government might do to facilitate this. Here’s my very brief interpretation of what we discussed.

Managers will have to be effective at delivering positive sustainable change. In other words deliver faster, cheaper and better products, services and processes. They must understand the innovation process, can cure causes - not effects, have the ability to ask questions, know what to change, how to change it and want to change it, are focussed on ‘win/win’ not ‘not losing’ and can collaborate effectively.

They will lead through what I am calling ‘authenticity’. This means having self-knowledge, belief and ‘being comfortable’ with themselves. Have clear clarity of purpose and vision and know what has to be achieved in the long term, medium term and short term. They can receive and act upon open feedback and develop real trust, respect and reputation through example. They will be consistent and genuine, have appropriate, demonstrated values, principles, correct behaviours and attitudes. Style will be about ‘Inspiring and doing’ rather than ‘coping and reporting’. An ability to build and lead effective teams will be essential.

They will need to create an appropriate structure and delegate to it with organisations broken down into units of 150 max and ‘led’ accordingly through culture, identity and commitment generated through vision and communication. They must identify ‘micro’ leaders then develop and lead through them allowing these leaders to challenge and adapt rules with culture guiding decision making in preference to rulebooks where appropriate.

All managers must be ‘developed’ to the appropriate level of their responsibility and take on the personal responsibility to continuously develop themselves. The development process will start with correct selection, with a greater

emphasis on promoting from within, as a candidate’s ability has already been demonstrated. Reviewing performance through 360 degree feedback and checking and evaluating achievements will be more commonplace as will the use of experienced managerial mentors and the recognition of Chartered Managers.

Government support could begin with leading by example with all Ministers to have an accredited managerial qualification and be working towards CMgr. In the Public sector there should be no promotions without an appropriate accredited qualification, whilst in the Private sector there should be ‘Kite mark’ recognition for those

organisations only promoting people with appropriate accredited qualifications. Funding for training should be simplified with enhanced tax breaks for organisations, costs claimed directly by organisations for accredited qualifications and improved funding/ tax benefits for individuals paying themselves. With regard to employment laws these should be simplified and made more sensible to allow leaders to actually lead and managers to be responsible for their actions too. Finally, we would like our MP’s to engage with us more, especially at a local level.

You can follow this subject at:
<http://davidbroadhead.wordpress.com>
<http://pimforum.wordpress.com>

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I suspect I am not alone in suggesting that 2011 might be one of the most managerially challenging and difficult years ever faced by many of our members. The economic omens both nationally and internationally could be better to say the least and for many the strategic textbook term 'retrenchment' will have real and painful consequences, at both an organisational and personal level.

Over three years ago, I and a group of former mature students formed 'the Forum', as an independent think tank that would be both a challenging academic exercise and also might benefit ourselves and our organisations. We accurately anticipated the recession, euro zone crisis, potentially 500,000 public sector job losses, decentralisation and localisation amongst many others. Whilst treading a delicate path between pessimism and realism, we don't see 2011 being generally much fun either, particularly in the North, but then we aren't always right. However, we do see some fantastic opportunities out there for those individuals and organisations with the right skills, attitudes and the willingness to use them.

My point therefore is important. We don't have to be, or see ourselves and our organisations as victims. Adverse times offer a real test of character, ingenuity and innovation. Now is the time when we will see new leaders, products, services and organisations emerge and prosper. This doesn't happen by accident though; we can and must take charge and collectively make positive things happen. In other words, we need personal leadership and organisational leaders like never before.

I know it's a perennial discussion about what defines a leader, but I'd like to offer my own thoughts in relationship particularly to the current environment we are in.

Previous newsletter articles and our Management Munches have discussed the damage done to our profession by the legacy of target setting mentalities and the rise of 'heroic' charismatic leaders. I have also offered the opinion that what we now need is 'authentic leadership'. So in more detail, what might this embrace? Let's keep it simple and start to explore my 'Seven A's' of being an authentic leader.

1. Aspiration - anyone can lead, but have you the desire and attitude required? You might care about something, but do you care enough to do something about it? Entrepreneurs spot an opportunity, usually through dissatisfaction, and then do something about it. We now need these people in our communities and organisations - true 'intrapreneurs'. In other words those that can see a need to make a difference, know how to make a difference and most importantly, are prepared to make a difference. Also what motivates you? Power, wealth, relationships, recognition, challenge or necessity?

2. Affective - learning. You are not going to be right all the time, can you accept and learn from this and have the emotional resilience to keep going when times are hard? How well do you know yourself, your strengths, weaknesses, beliefs, attitudes and potential? Have you really learnt how to experiment, learn and develop personally as opposed to just being taught academically?

3. Alignment - by this I mean grouping together the people we are taking personal responsibility for, providing a vision, establishing and agreeing the need to change and achieving buy-in on where we are going and how we get there.

4. Authority - organisations and situations are now possibly too complex to manage in crisis or through change. Centralisation has its benefits but can stifle innovation, motivation, identification of problems and ownership of solutions. Delegation and micro leadership at all levels, correctly aligned, is going to be essential with these people given clear operating mandates. BAA take note maybe!

5. Actions - people listen to words but respond to actions. What we say is important, but we are judged on what we do. Ask a student and a Liberal Democrat MP if in doubt.

What better way to demonstrate true authenticity than by being who you say you are and acting accordingly. Celebrity has had its day, and in the future, ability and measurable achievement will be vital for establishing and maintaining leadership reputation.

6. Accountability - with power and rights comes responsibility. Everyone has to be responsible and liable for their actions, a new concept for many brought up in an age where it's always been someone else's fault! This will lead to conflict, but being able to manage that is an essential skill. Being popular is easy, being right and professional is more difficult. An issue our coalition government is coming to terms with!

7. Acknowledgement - finally, we need to publicly recognise what individuals do and achieve, both rightly and wrongly. What better way to motivate, develop culture and organisational learning. Maybe what we need more from our leaders is what Jim Collins refers to as 'personal humility'.

Read the full version of this article at: <http://davidbroadhead.wordpress.com>

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Which topic to cover in this issue has been a real dilemma. Everywhere you look in the world at large at the moment you can see chaos, turmoil and despair caused by the failings of leadership and management throughout so many organisations and societies.

Whether it's the failure of the EU politicians to finally resolve the Euro issues once and for all, the conflict in Libya, the scandal at News International, the Blair/Brown/Darling fiasco or even Arsenal's tawdry start to the Premiership season, there are plenty of weak, corrupt, ineffective, misguided or outdated leadership and management examples for us to dwell on. But why is this and is it something we should accept as the norm?

Looking back over the last three issues I have tried to explain the origins of the target setting mentality which over the last 30 years has destroyed much of the purpose, meaning and innovation skills underpinning our big organisations and society, I've chillingly introduced the concept of the 'zombie' economy and the need for smaller, culturally driven organisations led by authentic leaders, and then finally expounded my thoughts as to what may constitute such an authentic leader.

But does any of this actually help answer why we have had a generation of failing leaders? Maybe the answer lies in looking elsewhere to find examples of leaders who haven't failed, well not yet anyway - but no doubt watch this space!

This leads me nicely on to the theme I'd like to develop here, which was inspired by Darren Evans of the Engine Room, the guest speaker at our last Management Munch. Coming personally from an automotive engineering background, one of my great hobbies and interests is motor sport, particularly F1.

For me, F1 embraces all the challenging aspects of leadership and management on a regular basis, be it commitment, vision, innovation, teamwork, managing resources, motivation, quality, coping with failure, success, achievement etc, etc. So who are the great successful leaders we might find here?

Without doubt in my mind, Adrian Newey, currently at Red Bull, stands out along with Ross Brawn at Mercedes as two of the greatest leaders and managers in their fields. An unusual choice maybe to some, but I believe their ability to build teams of people, harness resources and exploit true innovation to achieve a clear objective is what makes them special.

So who else might we class as outstanding business leaders in our current economic climate. Steve Jobs for his achievements at Apple, James Dyson with his approach to design and engineering maybe. How about historic figures who built great business empires? William Morris or Herbert Austin maybe of British motoring fame? Well Henry Ford certainly in America.

Hopefully by now we can see a theme starting to emerge. Creative, imaginative, passionate and innovatory entrepreneurs all characterised by a passion for challenging the conventional, defining a new alternative vision, understanding design and relevant technologies, aware of detail, overcoming adversity and then achieving success - over and over again.

Contrast that perhaps with our banking sector where we had big monopolistic organisations, all following Me2 strategies and led by people who had limited understanding of the products they were working with, the systems used and the downside associated risks.

But let us digress a while. If we were to treat the history of management and long standing organisations a bit like an archaeological dig, we'd begin to see various layers emerging. We've got the early owner manager traders, then the scientific management era, then the early behaviourists, the operational research phase, the systems thinking consultants followed by the contingency approach when it all got slightly confusing.

Within this final layer too we might find evidence of warring factions gaining prominence from time to time and steering organisational direction.

The finance department with its emphasis on cost cutting and short term returns, the marketers with the use of focus groups, being on message and sales growth at all costs, the human resource experts with their conflict avoidance and legalistic approaches, the strategic analysts who understand every detail of the journey but have no appreciation of the destination - the list goes on and on!

Which leads me to my concluding thought. In this time of economic strife, challenge and uncertainty we surely now need a new emphasis and direction in our organisations and society.

Perhaps it's time we really embraced creativity, design and entrepreneurship like never before. Should every organisation insist it is led or at least has a 'Creative Director' on its board, the one person tasked with delivering internal entrepreneurship? Someone to challenge convention, dream, create new visions and finally inspire change and reform throughout, be it products, services, systems, behaviours and beliefs. A giant leap for many at the moment - but who knows? Maybe the time for the true *Intrapreneur* has arrived?

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Will the recession improve management and leadership?

Last year I started this article by saying that '2011 might be one of the most managerially challenging and difficult years ever faced by many of our members'. Twelve months on we can reflect on what an understatement that was. So are the prospects for 2012 then any better, but also might the likely oncoming recession actually be of benefit to management and leadership?

For longer than I care to remember now, I've been expressing grave concerns about our entering a 'decade of austerity' and that we would languish in the attendant 'zombie economy' unless we saw bold, visionary, inspirational leadership and innovative new solutions implemented. Have we seen any of this from our politicians and business leaders either in the UK or elsewhere?

So where have all the good ideas gone? Back in 2001, we saw the launch of iTunes but what have we had since? If we go back 60 years or so we've had antibiotics, nuclear power, jet engines, moon landings, microprocessors, organ transplants - the list goes on. But what have we had in the last 10 years? Weapons of mass financial destruction maybe and managerial targets, but what else? Facebook, Google, the iPhone and iPad are life changing and brilliant in many ways - but do they really compare? There are tremendous opportunities at the moment, nanotechnologies, Thorium nuclear power, clean and renewable energy and health maybe. But what are we doing to exploit them?

Britain pioneered the Agricultural and Industrial Revolutions and possibly the early stages of the Information Revolution. Could the Health Revolution be where we lead the world next? Opening the NHS to private investment and reward may lead us to become the world leader in medical research and application - what a leadership challenge that would present though both politically and managerially?

Does this have an impact on management and leadership? Yes, I believe it does. In the last newsletter I reflected upon the need for Intrapreneurship in our organisations and the recognition of the role of a Creative Director to drive the generation of new ideas, products, services and processes throughout. This is obviously an extreme position but should eventually manifest itself in a greater awareness of, and development of, creativity and innovation skills in our organisations.

My next point is inspired by John Kotter, who in his Harvard Business Review article in 1990 'What Leaders Really Do', commented that organisations were over-managed and under-led. Large enterprises need order, structure and consistency to cope with complexity, produce orderly results and overcome the chaos that would otherwise result.

In turbulent times though, we need leadership, which is all about coping with change, developing vision, preparing strategies and providing just an outline as to how they can be achieved. The endless restructuring and production of detailed, time consuming, meaningless long term plans, will not deliver the radical solutions we probably now need and certainly won't allow the development of the future generation of leaders necessary to pioneer their implementation.

Whilst the PRINCE2 and consultancy focussed managerial MBA approach will always have its place, the future may well be in restructuring organisations around smaller units with identifiable responsible leaders, clearly accountable for the outcomes. How we will develop these leaders and how will we change the structures and cultures in our large public sector organisations may well be the next key challenge for management and leadership. As the old proverb says '**if a nail stands proud - it gets hammered**' has often explained why the leadership path is not often well favoured as a secure career option in these organisations. This has to change - and quickly.

The final issue here was inspired by Peter Drucker in his book 'Management Challenges of the 21st Century'. We could argue that in the past people in organisations did what they were told to do and performance and training was measured against that. As the 20th Century developed, people had the option of doing what they wanted to do. This was not only in choice of career, but also often within organisations. Does it still happen today? I am sure we all have experiences and anecdotes of where it often does. However, what is the next stage? Drucker talks of employees asking 'what should they do', and acting accordingly. What impact does this concept have on management and leadership? All of a sudden a manager can't set a target and direct the only legitimate process to achieve it - the new leader has to evaluate the situation, communicate a new vision of what's required and then agree and facilitate the role the new 'knowledge worker' is to fulfil to achieve it.

So will management and leadership improve as a consequence of the recession - who knows? One thing is certain though, there will be an impact!

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