



white paper

Developing for the future - how Northamptonshire organisations will develop their people to fuel their success

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Organisations in Northamptonshire and East Midlands face a series of demanding challenges to achieve success and growth in future years. Against a backdrop of globalisation, technological pace and changing employee expectations, many of these challenges include 'people factors' that are key to success:

- improving staff motivation and productivity
- improving management capability and leadership skills
- achieving successful change and restructuring
- developing high performing teams
- identifying process improvements and cost savings
- improving staff retention and absence
- stimulating creativity and innovation

In late 2007, The Pathways Group commissioned a research survey to learn what Northamptonshire organisations see as their priorities for growth in coming years, and how they view people projects supporting their plans for success.

Data capture company VST conducted the survey, using telephone interviews and a structured questionnaire. Respondents were typically HR or Training Managers/Directors, or Senior Managers/Directors, from cross sector organisations in Northamptonshire. 150 organisations were contacted for their views, and 25 gave detailed responses that form the basis of this paper.

Organisational Priorities

Several of the larger organisations were undergoing significant restructuring or were involved in a merger or acquisition that was changing previous priorities. Some respondents were unwilling to disclose their priorities, or conversely, and surprisingly, were happy to say they were uncertain about what the organisations priorities were. Of those that responded:

- 55% saw developing staff as key to success, with 18% seeing management development as crucial for the future
- 45% were focused on Sales and Business Development
- 27% were focused on staff retention amid concerns about losing key people and their skills
- 30% were facing difficulties recruiting suitably skilled people

Specific priorities from respondents included:

- An organisation tackling 'concerns about the calibre of our people'
- 'Our key focus is to get the workload completed with efficiency'
- 'There is great amount of time and attention being paid to our Sales force now'
- 'We're focusing on ensuring our employees technical knowledge is up to date'

Northamptonshire employers are mirroring national trends and increasingly recognising their strategic priorities cannot be achieved without due focus on employee capability, motivation and retention. Government concern for UK productivity and growth, and the push for increasing skills through the Leitch Review and Train to Gain, are all contributing to raising awareness.

Developing Employee Capability

So how do respondents expect to develop their people to achieve their priorities?

Our survey asked whether organisations saw any of the following six areas as important to their future success:

- Developing Leadership skills in key people
- Developing management skills and capability
- Increasing Employee Engagement and productivity
- Improving Change Management
- Developing High Performing Teams
- Improving creativity and innovation

Almost all respondents had views on these areas with half seeing all of these development areas as relevant to the next few years of their organisations growth. The results showed the following headlines, with a visual layout shown in the graph below:

- 84% of respondents saw both developing Leadership skills and Employee Engagement as important to their future
- 80% saw developing Managers as important
- 76% felt developing teams for High Performance was important
- 68% saw Creativity & Innovation as important
- 56% felt managing Change was important

Organisations recognising the importance of developing leadership capability as a future success factor are matching the national trend. A 2005 study from the Chartered Institute of Personnel and Development (CIPD) asked 'which skills does your organisation need to develop in order to fulfil requirements in three years time?' and found Management and Leadership as the top priority. Towers Perrin surveyed 85,000 employees in 16 different countries in the same year, finding that three-quarters of UK employees were either 'disengaged' or only 'moderately engaged' at work and that the top factor influencing these attitudes was bad leadership.

As awareness of Employee Engagement grows, supported by initiatives like the Sunday Times Top 100 Companies, more organisations are embracing this work, attracted by proven increases in productivity and staff motivation, reduced absence and falling numbers of staff leavers.

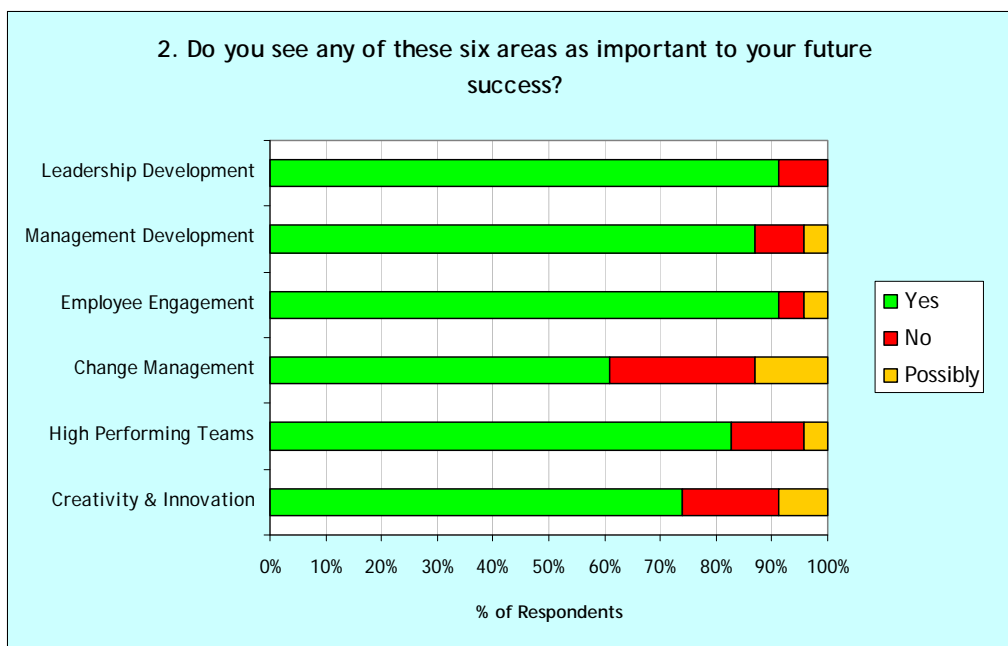
Irrespective of their industry sector, 68% of respondents believed that Creativity and Innovation were important for future success, highlighting the need for an organisational environment where new ideas and improvements to existing work are actively encouraged. This contrasts with responses over Change Management, as enhancing creativity and innovation inevitably introduces small or large-scale change to organisations.

Only 56% of respondents felt that managing Change was important to their future. This suggests a potential 'blind spot' for the remaining 44% who felt improving their ability to manage change was not or only possibly important to their future. Separate CIPD research shows organisations can expect to undergo major restructuring, on average, every three years, and that 40% of these reorganisations fail to deliver on their objectives because they are badly implemented.

Getting Development Help

With almost all respondents expecting to get involved in one or more people development projects in the next year, the survey asked whether they would approach an existing provider or identify a new partner to help them forward.

- 56% of respondents would approach their existing provider for assistance with new development work
- 36% would look for a new provider to support their progress
- 8% would do neither, implying intentions are good but they are unsure on how to proceed



When asked what factors would influence their decision to work with a new provider, respondents' views were interesting:

Client Testimonials	32%
Price	32%
Flexibility	32%
Current Client List	16%
Track Records	4%
Qualifications	4%
CSR Credentials	4%
Approach	4%
Prove ROI	0%

% of Respondents who said this item was a factor in choosing a development partner.

Organisations are clearly strongly influenced by the testimonials of providers past clients, placed on an equal par with both cost and flexibility. Despite the continual development and increasing diversity of learning and development providers, but in the absence of any formal benchmark, a traditional measure of expertise still applies - respondents simply want to know what others thought of a providers work.

Regardless of the risk to an organisation of choosing a unsuitable provider to deliver a business critical project, just 1 in 8 respondents would look more thoroughly at a providers track record of successful projects in the same sector, professional qualifications or approach to gauge their effectiveness. Even more surprising was that no respondents to the survey would require a potential provider to show how they would prove the return on investment of their work. It seems that while organisations use price as one deciding factor, they are much less interested in seeing the real 'bottom line' business benefits after the provider is hired. One respondent did comment that 'providers need to be able to prove that they are able to deliver the results and achieve expectations'.

Cost remains a factor for many organisations, with one stating 'cost is most important when considering [a provider], followed by the content'. For others, there is a clear balance between flexibility and price, with organisations looking for relevant approaches without a premium price tag. 'For a new provider to be considered, flexibility is extremely important, as is price' said one. Striking this balance presents a challenge to providers, as bespoke projects typically require more time to design and build, which is subsequently reflected in pricing.

Flexibility also remains a challenging balancing act. Organisations may look for development projects that lead to qualifications as a measure of benefit and employee ability, while for some the set syllabus in an academic course does not reflect the business needs of the organisations future. The push for qualifications from government backed agencies like Train to Gain, together with further and higher education institutions offers, have not met with support from some organisations for precisely this reason.

Just 4% of respondents would consider the Corporate Social Responsibility activities of a partner as an influencing factor, indicating that Northamptonshire organisations are not yet judging providers on ethical grounds. National movements this year, such as Barclays Bank screening potential suppliers for their CSR credentials as part of its contract awarding process, may however be followed in coming years.

Summary

Respondents to the survey clearly recognise the significant contribution that people development projects make to the future success of their organisations. The majority expect to invest in developing their leaders, managers and teams, hope to improve the engagement levels of their people and stimulate greater creativity and innovation. Like their national counterparts, these organisations are much more likely to achieve their strategic goals than the 10-40% who see no need to consider these projects.

However, recognition and healthy intention do not guarantee success, and respondents lack sophistication in selecting and working with specialised external providers whose expertise can make the difference between success and failure. Many will use poor measures to select potential partners and none will be sure if their contribution really achieves what the organisation needs. This is a cause for concern.

Balancing this concern is that flexible, cost effective people development projects that fit the organisations future needs and demonstrate a clear return on investment are not an impossible combination. Although few training companies have the expertise, a smaller number of experienced providers can deliver on this challenge and fuel the success of those organisations that choose to use them.

The Pathways Group helps organisations and their people change, adapt, learn, develop, innovate and succeed. To learn more, contact the author Paul Bedwell on 07711 636568 or email paul.bedwell@pathwaysgroup.co.uk.