

MANAGEMENT IN FOCUS

David Broadhead MA DMS BSc (MEng) FCMI



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?

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!

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.

Read more at: www.partnersinmanagement.co.uk

For more information on this subject or to find out more about the range of CMI accredited programmes and other short courses offered by Partners in Management, e-mail David Broadhead at: david@partnersinmanagement.co.uk