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# 8

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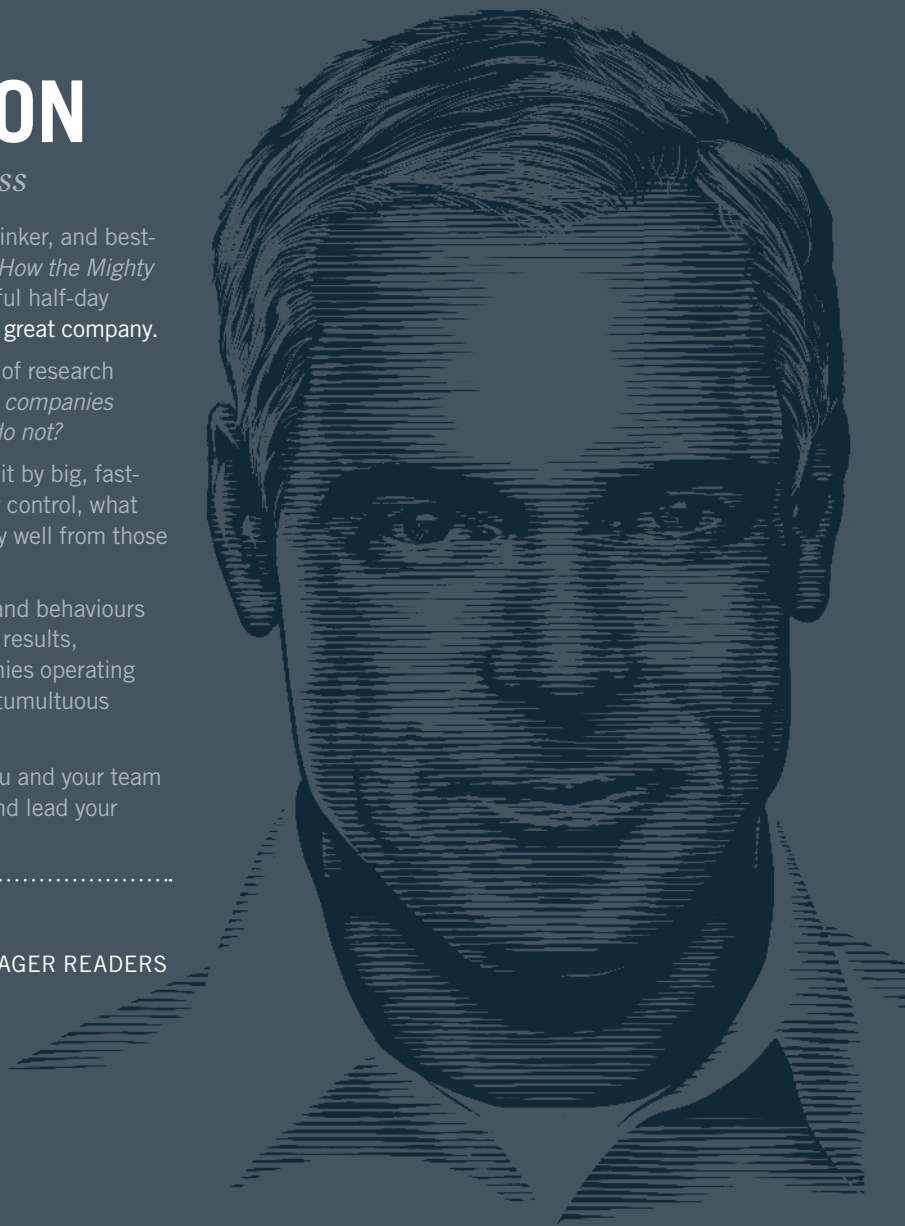
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# A change has got to come

*Ann Francke*, Chief Executive, CMI

**THIS ISSUE IS** all about change – why it's needed and how to manage it. And this focus is more important than ever; it seems that the more prevalent change becomes, the worse we are at it. Indeed, CMI's *Quality of Working Life* study showed an increase in the frequency of organisational change between 2012 and 2015, and yet a marked decrease in managers' ability to handle it well.

So it's a source of great pride for me that our cover star is Paul Geddes, CEO of Direct Line. Long ago, I mentored Paul at P&G – even then it was clear how talented he was. We were both involved in executing great change programmes on the P&G Pampers brand. And many of the lessons we learned then remain valid.

A clear vision, and communicating it openly and consistently, even if the news is bad, is absolutely essential to any change programme's success. Paul has certainly mastered this at Direct Line. Interestingly, it is exactly this open and honest communication that managers want most from their leaders overall, and yet far too few leaders

understand this and involve them in the communications process. Shockingly, only 9% of middle managers we recently asked said they were actively involved in the communications process of their leadership. Little wonder the trust of middle managers in their leaders is so low, with only 36% trusting them highly. But, unsurprisingly, trust is critical to success and growth. Our recent survey found a direct correlation: where trust was high, business was growing; where trust was low, business was declining.

We at CMI believe middle managers deserve a break. Far too often they are seen as permafrost. But it's the leaders who have the issue – not the managers. Excellent operational leadership at every level is key to the success of any corporate change programme, and the behaviours of sharing your thinking and admitting your fallibility are crucial to building trust. Read more about this on page 36, and watch out for more on this topic as we focus on helping to celebrate operational excellence in the middle of organisations in 2017. Similarly, you are never too young to start learning what 'good' looks like, so, on page 42, we celebrate the first cohort on the Chartered Manager Degree Apprenticeship, which CMI is proud to have helped develop.

As we head into 2017, let's remember that building trust, sharing our thoughts and admitting what we don't know will be more important than ever. Our political leaders do not exactly have a surfeit of these qualities – all the more reason for us managers and leaders to assume the mantle.



**Clive Lewis** is  
shadow secretary  
of state for business  
**Page 27**



**Simon Caulkin**  
is a fellow of the  
thinktank ResPublica  
**Page 74**



**Phil Jones** is  
managing director  
of Brother UK  
**Page 67**

IN  
NUMBERS

75%

The percentage of young people who don't have work experience but would like that opportunity  
(Source: CMI)

69%

The percentage of young people who would like more support to find work experience  
(Source: CMI)

£2.5bn

The amount of government funding available for promoting apprenticeships in the UK

36%

Just 36% of middle managers fully trust their senior leaders  
(Source: CMI)

54,000

The number of women every year who have to leave their job early after becoming pregnant  
(Source: The Fawcett Society)

1.5m

The number of new women managers needed by 2024 to achieve an equal gender split  
(Source: CMI)

0.5m

The number of 'missing women' in UK management  
(Source: CMI)

## THE BIG STORY

## Better management: the key to unlocking regional productivity

UNLOCKING HIGHER regional productivity through better-managed businesses could add £208bn to the UK economy over the next decade, according to the latest CBI research.

While some areas of the UK have benefited from an uptick in productivity in recent years, too many cities, towns and regions have been left behind, limiting opportunities for millions across the country.

To help address these regional differences, the CBI has put forward a number of solutions to enable

Today people often define firms by their size – big, medium or small. Yet it's not just about how big companies are, but how they're run, how they invest in their people and whether they want to grow and expand."

The CBI report found that it is also vital for business and government to focus on both building the right skills across the UK and producing the best opportunities for our young people.

CMI director of strategy and external affairs Petra Wilton welcomed the report and said more needed to be made of the business-support networks across the country to fully realise the productivity potential of the UK's regions.

"Investing in better leadership and management practice, and equipping young people leaving school with work-ready skills are two of the main fixes for tackling the national productivity gap," she said. "As the CBI report shows, the quality of leadership and management skills varies regionally. We're working with employers to address this through better access to local business-support networks, to improve their management skills."

CMI's own *An Age of Uncertainty* research, run in collaboration with the EY Foundation, found that a third of 16- to 21-year-olds in the UK (32%) aren't confident about finding a job in the next few years, with a lack of both practical experience and opportunities a major factor.

To combat this, CMI and the EY Foundation are calling on employers and schools to back a school-to-work syllabus as part of the national curriculum, to give young people fairer access to workplace opportunities and improve their employability on leaving school.



The CBI report was launched at Coventry's Manufacturing Technology Centre

businesses and policymakers to drive growth in the UK's regions.

Chief among these is the need to improve management practices and simplify the bewildering array of business-support initiatives, building on the work of the Productivity Leadership Group.

Introducing the *Unlocking Regional Growth* report at the Manufacturing Technology Centre in Coventry, CBI director general Carolyn Fairbairn said: "The Productivity Leadership Group, chaired by Sir Charlie Mayfield, has shown that, from management to leadership to innovation, business practices make all the difference.

Find out more about CMI's research at [managers.org.uk/ageofuncertainty](https://managers.org.uk/ageofuncertainty)



## BRAINWAVES

### COMMON PROBLEMS SOLVED

#### **The career MOT and five career must-dos**

Even though job security seems increasingly rare, many of us aren't making sure our CVs, training and skills are comprehensive and up to date; we identify holes only when we suddenly need a new job.

Here are five must-dos for giving your career a much-needed MOT:

1. Check twice a year that your CV is up to date.
2. Identify skill gaps and seek training (self-funded or from your company).
3. Add monthly to your LinkedIn page, join LinkedIn groups and ask for testimonials to boost your online and offline profiles.
4. Keep networking. Even if busy, take time to meet your network for coffee or lunch every so often.
5. Take control of your career. Check you are happy and fulfilled at work. If not, it is up to you to make a change.



#### **Four steps for developing future managers**

Almost a third of young people in the UK aren't confident about finding work near their home

town. So what should we do to promote tomorrow's managers?

1. Make sure people aged 11 to 18 learn more every year about the world of work by introducing a school-

to-work syllabus to the national curriculum.

2. Champion all pathways into work, including apprenticeships and entrepreneurship.
3. Develop key management

#### **Six ways to boost your own productivity**

Poor productivity is said to cost the UK economy just under £80bn a year. But we can all do our bit, so here are six simple tips to boost your team's productivity:

1. Offer more work opportunities to young people.
2. Make sure you have the equipment you need.
3. Monitor employee productivity, and set goals.
4. Encourage uptake of flexible working patterns.
5. Continually train your staff.
6. Listen to your team (and learn from what they say).

and leadership skills from a younger age.

4. Create an employer-backed school-to-work national youth panel.

See CMI's report *An Age of Uncertainty*: [www.managers.org.uk/ageofuncertainty](http://www.managers.org.uk/ageofuncertainty)

## PEP TALK

AMERICAN BUSINESSWOMAN BARBARA CORCORAN



“Storytelling is everything. Show me an MBA and your sales numbers – that’s fine. But tell me a great story and we’ll talk.”

RETWEETED



Philip @unicarval Dec 1

Great article on ‘The seven habits of highly effective people’ from @cmi\_managers **Manage thyself!** [www.managers.org.uk/seveneffectivehabits](http://www.managers.org.uk/seveneffectivehabits)

Follow @cmi\_managers on Twitter to keep up with the latest management thinking from the world’s great leaders



# SKAPINKER

A steadfast defence of UK employee rights; Aussie rules (on immigration); calm down about pensions; Uber overruled?

## Employees' rights to remain intact after Brexit

While the outcome of Brexit negotiations remains uncertain, Theresa May, the prime minister, has made it clear that she will not be a great dismantler of employee rights. Unlike her Conservative predecessors, particularly Margaret Thatcher, Mrs May is not offering bosses a freer hand and greater deregulation of employment law.

British employment rights are based on a mixture of laws. There are those passed by Parliament, such as the Equality Act 2010, which protects workers from discrimination on the basis of age, race and sex. These laws can be altered only through parliamentary legislation. Then there are rights derived from EU membership, such as those giving agency workers, after 12 weeks' employment, annual leave and the same pay as a permanent colleague doing the same job.

The EU-derived rights would, in theory, cease to exist once the UK left the EU, but the government has indicated it will preserve them by transferring existing EU law into UK

legislation through the Great Repeal Bill. The government has said it then plans to look at what EU-derived law it wants to keep and what it wants to change.

It could abolish some of the EU-derived worker rights; this was a fear expressed by some Remain campaigners. But May told the Conservative Party Conference that she will not go down that road. She said: "Existing workers' legal rights will continue to be guaranteed in law – and they will be guaranteed as long as I am prime minister."

## Government tilts towards two-tier immigration system

Employers still face confusion over the type of immigration system that will apply after Brexit. In the run-up to the referendum, Leave campaigners promised an Australian-style points system, which Theresa May rejected because she said it would allow people into the country if they had sufficient points without giving the government enough control over numbers.

The Australian system is, in fact, more complex than both sides have indicated, with a range of immigration visas, including one for those planning to start or invest in a business. There is also a government-maintained 'skilled occupation list', showing which professions and trades, such as quantity surveyor and aeronautical engineer, Australia currently requires. Applicants then have to prove their skills to qualify for immigration.

Philip Hammond, the chancellor, suggested during a trip to New York that the government may be thinking of something similar, or perhaps simpler, for highly skilled workers, saying that UK-based banks had nothing to fear, and adding: "The problem is not highly skilled and highly paid bankers, brain surgeons and software engineers. The issue we have to deal with is people with low skills competing for entry-level jobs."

**"The government could abolish some EU-derived worker rights, but Theresa May has said she will not go down that road"**

This suggests a different regime for those employers who are heavily dependent on EU workers in sectors such as fruit and vegetable farming, food processing and care homes. Some of these employers have expressed worries about finding enough UK workers willing to do these jobs. If labour shortages do occur in these areas after Brexit, the government may have to allow employers to recruit from abroad on a seasonal or temporary basis, or allow EU workers into the country longer term if they have offers of employment.

## Should companies be allowed to break pension promises?

With many defined-benefit schemes in deficit, employers are casting around for ways to reduce their future liabilities. Frank Field MP, chair of the House of Commons Work and Pensions Committee, has suggested investigating whether companies should be allowed to change or go back on their promises of inflation-linked increases to pensions. He said this might be preferable to seeing pension schemes failing and their members having to rely on the Pension Protection Fund, which could leave them worse off.

However, the idea has many objectors. Some point to the injustice of depriving pension-scheme members of what was promised to them. The courts have also indicated that they will be reluctant to allow companies to vary their pension promises. The Court of Appeal rejected an attempt by the trustees of the Barnardo's pension







Left: Your Uber driver may soon be eligible for holiday pay. Below: Philip Hammond

scheme to change the basis of annual interest from the Retail Price Index to the Consumer Price Index, which has historically reflected a lower inflation rate.

This means that parliamentary legislation would be required to allow companies to make the change, and many MPs are likely to oppose it. An alternative, suggested by Andrew Warwick-Thompson, executive director for regulatory policy at the Pensions Regulator, is that everyone calms down. He says that pension deficits are not “about to rain Armageddon on UK plc”. Pension deficits are calculated on a ‘buyout’ basis: how much a company would have to pay an insurance company to take on its pension liabilities. Few will have to do this and most schemes will find their deficits manageable, he says.

### Uber ruling and the future of the gig economy

An employment tribunal decision that Uber drivers cannot be regarded as self-employed – and are therefore entitled to rights such as sick pay and the minimum wage – has been seen as a blow to the ‘gig economy’, whereby people provide app-orchestrated services, from transport to doing household chores. If all providers of these services are entitled to similar rights, it would have a severe impact

on the profits of internet- and mobile-enabled platform providers.

However, this is likely to be the beginning of the discussion rather than a definitive outcome. First, Uber has said it intends to appeal.



Second, the ruling was based on aspects specific to Uber’s way of working, which might apply to some providers of other gig economy services but not all. Central to the finding was that several aspects of Uber’s treatment of its drivers showed they could not be seen as self-employed. These included that Uber recruits and interviews drivers; controls information such as the passenger’s name, contact details and intended destination; and handles complaints from passengers.

Teacher Stern, a solicitors firm, pointed out that the tribunal made it clear that it was still possible for companies to create a model where drivers are indeed self-employed, but Uber’s model did not comply.

Martin Warren of legal firm Eversheds told the BBC that, although all firms deploying workers via online platforms would watch the appeal, “each case will depend on the specific terms and arrangements between the individual and the company”.

**Michael Skapinker** is associate editor of the *Financial Times*. Tweet him: @skapinker

MY CMI

## Anchal Andrews

CEO, SKILLMAKER  
TRAINING SERVICES

### How did you get involved with CMI?

Learning and leading go hand in hand. As owner of SkillMaker Training Services in the UAE and as an MSc student at Roehampton University on a scholarship from the admissions board, I have been given membership of CMI through the university, based on my exceptional professional and educational performance.

I aspire to be a global thought leader, and I believe CMI will be a great fit for this transition.

### How has CMI helped you in your career?

Leadership is a key focus area in my line of work, as a proprietor leading small, medium and large organisations to lift bottom lines and reduce staff turnover through training and development strategies; and providing a strategic vision to take businesses from ‘point A’ to beyond.

CMI has helped to create the visibility I need to pursue my aspiration of becoming a global thought leader.

### How has your experience of working with CMI shaped your approach to management?

CMI promotes the view that management is key to the success of any organisation, and my approach to management is of the transformational and strategic kind, whereby complementary attributes are brought together to meet objectives.

### How important is proper training to a career in management?

There are a lot of opposing views. But change is constant. Best practices change with global initiatives. Either you develop yourself and stay on top or you become redundant.

Find out more about how CMI can help with your training needs at [managers.org.uk/training](https://managers.org.uk/training)



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- “What you think of people is how you treat them... Ignoring someone talking is demotivating”

+ “We have lots happening in real time; devices help us to get the latest intelligence, and we are also trying to go paperless”

+ “There is a difference between checking for messages on your devices and using them to support the meeting”

+ “It could be a meeting about social media, so we need to see how certain content translates to smartphones and laptops”

# SHOULD WE BAN PHONES IN MEETINGS?

No one needs to spend more time in meetings. So, if smartphones are just distracting us, should we ban them from the meeting room?

WORDS BY  
*Gihan Perera*

**WE WASTE COUNTLESS** hours on pointless meetings. Indeed, a survey by Officebroker found that the average UK office worker loses a whole year to meetings throughout their career. And, as Jason Fried and David Heinemeier Hansson, founders of digital agency 37signals, say: “Every minute you avoid spending in a meeting is a minute you can get real work done instead.”

So how can we hold more efficient get-togethers? During a recent GoToMeeting/CMI webinar, I offered a few ideas for the future of meetings. One of the ideas I floated was banning

smartphones and laptops from the meeting room. Reactions were mixed – here’s a sample.

## **Yes, great idea!**

“Banning devices ensures 100% focus.”

“Devices are a distraction. Too many people use them as a comfort blanket.”

“Phones should be banned – they’re disrespectful and distracting – but laptops for presentations are virtually essential these days.”

“What you think of people is how you treat them... Ignoring someone talking is demotivating.”

“You are simply being disrespectful.”



+  
**"We use devices to facilitate paperless meetings but, yes, there are benefits to banning them – for example, improved concentration"**

–  
**"In some circumstances, it's suitable to ban laptops and smartphones to encourage proper human engagement"**

–  
**"Phones should be banned – they're disrespectful and distracting – but laptops for presentations are virtually essential these days"**

#### **No, we need them**

"We're in a technical industry so we need access to drawings, etc."

"I take notes on my device. Do I want to duplicate effort by making paper notes?!"

"You need them if you're presenting evidence to support discussion."

"We have lots happening in real time; devices help us to get the latest intelligence, and we are also trying to go paperless."

"It could be a meeting about social media, so we need to see how certain content translates to smartphones and laptops."

"A phone could be needed for emergency purposes – a child taken ill at school, say. Banning phones doesn't work for people who have commitments outside of work."

"Laptops can allow problems to be solved in the meeting, preventing delay."

"Devices allow people to check their availability when future dates are discussed."

#### **Ban them in specific circumstances**

"For organisational or process-driven meetings, yes, ban them. It will remove a distraction. For meetings relying on the creative spark, no, allow devices."

"In some circumstances, it's suitable to ban laptops and smartphones to encourage proper human engagement."

#### **Allow them but with rules about use**

"Devices should be used only if their use is related to the meeting, not for checking emails."

"Sometimes my meetings may include people who have to react immediately to outside events. I usually ask people to leave their phones etc on the table (muted) and, if they need to use them, to excuse themselves appropriately. Most of my group know I expect attention and are respectful enough to oblige without reminders."

"There is a difference between checking for messages on your devices and using them to support the meeting."

"If meetings are longer than an hour, it's unfair on people to ban devices due to their other duties. If a meeting is an hour or less, there's a good chance that people will be fully devoted to the meeting and won't use devices anyway."

"Allow them if a consistent approach is applied – ie, all attendees have laptops – and it is established that this is not an opportunity to clear emails."

"Perhaps there's a compromise to be made: a partial ban or making a charitable donation if a phone goes off. Computers should be allowed if they are declared at the start."

"We use devices to facilitate paperless meetings but, yes, there are benefits to banning them – for example, improved concentration."



**Gihan Perera**  
 is a business futurist,  
 speaker and author

## **4 MORE RADICAL MEETING FIXES**

**1** Hold walking or standing meetings. Apple co-founder Steve Jobs favoured the walking variety. Many people advocate standing meetings, saying they help to keep sessions brief.

**2** Silent meetings. In some organisations, there are silent sections in meetings when people can think. As Alexander Kjerulf, founder and chief happiness officer at Danish business Woohoo, puts it: "The purpose of meetings is not to talk – the purpose of meetings is to arrive at ideas, solutions, plans and decisions... Some people can think while they're talking; most can't."

**3** Five-word goals. Before meetings, Christopher Frank, a VP at American Express, asks participants to answer in five words the question: "What exactly are we meeting about?" This ensures everyone is on the same page.

**4** Pre-mortems. You've set up a meeting to address a particular issue. You've gathered all the key decision-makers. There's organisational backing for the proposed initiative. What could go wrong? The 'pre-mortem' is a group discussion in advance of the session to establish what could potentially scupper your plans, even if you do get total buy-in. This is new-era thinking, designed to anticipate and then head off obstacles to progress.







# WHO CARES?

Someone in your team will probably have caring responsibilities. Acknowledge and accommodate them

**TEN PER CENT** of the workforce are caring for someone. And caring responsibilities are likely to affect 60% of the population within 10 years.

How would you cope if you were a carer? Would your company understand the personal impact? As an organisation, are you ready to support your employees? If the answer is 'no', you're not alone.

Carers are often concerned about the effect that caring responsibilities may have on job security, their future earning potential and their career prospects. Failure to address these concerns can lead to a decline in performance and morale, and, worse, attrition.

## How to provide support for carers

The first step is to make time to talk to people and understand what's happening. Just recognising the issue can remove fear and make it easier for good people to do great work.

The hardest aspects of being a carer are predicting the future and conveying the personal impact to others. With

prolonged illnesses or learning disabilities, conditions can vary daily, so ongoing management can be tricky to fit into your working life and explain to others.

Flexible solutions are key for carers. Some will be easy and quick to implement, such as a change of work location or working from home, adjusting start and finish times, granting permission to attend medical and care meetings during the working day, providing access to support services and provision of technology.

A 'caring passport' is a useful document to help communication. It allows someone to define their

situation and the support and changes they need. If they are changing their work role or manager, the passport will allow them to transfer information across the organisation without having to keep explaining distressing details.

Regular reviews (at least half-yearly) are essential. As a manager, don't be afraid to ask questions or check that you understand the situation. Urge managers and individuals to use internal assistance programmes, medical schemes, stress counselling, and HR support if they're available.

Some companies have set up internal networks or web-based social networks, allowing groups of employees to share and resolve issues independently. Talking to other employees in similar circumstances can be therapeutic. And having a senior sponsor or manager lead the network provides visible assurance that the company values the participants.

**Failure to address carers' concerns can lead to a decline in performance and morale, and, worse, attrition**

Here's a range of resources for organisations and individuals with caring responsibilities: [bit.ly/cmi-carers](http://bit.ly/cmi-carers)

# OPEN FOR BUSINESS

The UK needs overseas workers – and not just from the EU. So how can employers clear the bureaucratic hurdles?

**THE UK IS** facing a skills shortage. Indeed, the latest research from the UK Commission for Employment and Skills found that 14% of companies in the UK were facing a skills gap and almost one in five (19%) currently had vacancies in their workforce that needed to be filled.

Employers are struggling to fill 23% of these vacancies because of a lack of applicants with the necessary skills to properly carry out the role.

To help plug this gap, legal expert Chaman Salhan, founder of 2ndOpinionNow, says more businesses need to be looking overseas when it comes to recruitment.

“Immigration is great at bringing skilled people into the country because there is a shortage of skilled workers in the UK,” he says. “Businesses just can’t find sufficiently skilled people to work for them.

“If a business wants to expand or needs to fill a hole in its workforce, what can be done if you can’t find the relevant skills in the UK? A lot of people who may have been thinking of moving to the UK from Europe may now be reluctant to do so because of the uncertainty created by Brexit. This

means that many companies now need to be looking outside of Europe for their new staff.”

But many firms are reluctant to look further afield in their recruitment due to fears about excessive barriers to gaining a visa for an overseas worker and the paperwork that comes with it. Salhan says that, in reality, the process is much easier than many realise.

“The Tier 2 Shortage Occupation List highlights occupations where the country is crying out for more skilled workers,” he says. “These include areas such as engineering, nursing, teaching, design and healthcare, as well as many more – the net spreads a lot wider than many realise.

“If you are looking to recruit in any of these fields, then you already meet the requirements for being able to recruit skilled staff from overseas.”

But even managers looking to recruit staff not on the Shortage Occupation List shouldn’t be deterred from looking overseas. Employers looking for staff in fields not on the list need to overcome the Resident Labour Market Test, which requires proof the vacancy can’t be filled by a UK worker – something

Salhan says is actually much easier to provide than many businesses realise.

“If you advertise a job and you can’t get people to apply, then you are allowed to go and look overseas,” Salhan says. “It is actually not that difficult. All you have to do is advertise the position in the UK in two places for a certain period of time. Then, if you haven’t been able to fill the gap, you can offer it to people from overseas.”

Once these conditions have been satisfied, the eligibility of the individuals who have applied for the role must be established, with a points system determining whether or not someone from overseas can be allowed the right to work in the UK.

While the required score of 70 may seem high, Salhan says understanding the requirements, and getting expert advice, can help in terms of overcoming the barrier.







THE BARRIERS  
TO HIRING OVERSEAS  
STAFF MAY NOT BE AS  
INSURMOUNTABLE AS  
UK EMPLOYERS FEAR

## Managers need to understand the rules around work visas for overseas employees

“The requirements are not actually that difficult to satisfy,” he says. “If you are on the Shortage Occupation List, you already get 50 points and, if you go through the Resident Labour Market Test, you get 30 points – so you are already some way down the line.

“You then can get 10 points if you have a proficiency in English, and a further 10 points if you have sufficient funds to move to the UK – that is already enough for someone on the Shortage Occupation List.”

On top of this, prospective workers can also get points depending on how much they will be earning in their new role in the UK, and for qualifications they have already obtained:

- A salary of between £20,000 and £23,999: 10 points.
- A salary of between £24,000 and £27,999: 15 points.

- A salary of between £28,000 and £31,999: 20 points.
- A salary of more than £32,000: 25 points.
- An A-level or equivalent: 5 points.
- A bachelor's degree: 10 points.
- A doctorate: 15 points.

Suddenly the barrier does not seem so difficult to overcome.

With Brexit on the horizon, which could force EU nationals under the same umbrella as workers from countries outside of the EU, the need for managers to understand the rules around work visas for overseas employees is becoming increasingly pressing.

**Need help with your overseas recruitment?**  
Contact Chaman Salhan and the 2ndOpinionNow team on 020 7936 3177 or visit [www.2ndopinionnow.co.uk](http://www.2ndopinionnow.co.uk) and find out how you can delegate the legal requirements of obtaining a working visa

# FEEDBACK

Let us know what you think about *Professional Manager* magazine at [managers.org.uk/insights](http://managers.org.uk/insights)

IN 'THE NEW geography of management' (*Professional Manager*, Autumn 2016), the management commentator Simon Caulkin said that countries other than the US and UK had become breeding grounds for the most interesting new management thinking. "They offer a contrast to the shareholder-driven, hierarchically managed, efficiency-obsessed Anglo-Saxon model," he wrote. "They're more likely to stress continuity and the long view, the collective as opposed to the individual, relationships over transactions, and loyalty over performance."

Did you agree? We received a range of reactions.

## Combining management styles may be best

The international exemplars described in Simon Caulkin's article operate at different levels of management and leadership. At the organisational level of strategy/governance, it is clear that many business cultures do not see the pursuit of money, or growth in shareholder value, as the key motivation. Recent studies have shown, for example, that young entrepreneurs in the Middle East are more likely to set up a company with the goals of long-term impact on society and family, rather than the 'build to sell' motivation of many US and UK startups. Similarly, many chairmen of large family firms are concerned with leaving a legacy for generations to come and maintaining the founder's reputation.

At the level of organisational management, other cultures focus on vision (or strategic intent) rather than detailed planning, reflecting the truism that things don't turn out the way one expects. Unforeseen opportunities will arise and, in any case, most of what happens is completely out of our control.

At a managerial level, many collective cultures focus on

relationships and joint achievement, rather than believing that individuals can do anything if they try hard enough: 'It's embarrassing the way you take credit for everything that happens. My achievements are mostly to do with my family, colleagues and fate.'

Similarly, team management relies much more on a shared understanding of goals and much less on a prescribed set of objectives and actions: 'You Westerners sit down with a person and predict exactly what they need to do for the whole year – I don't even know what's going to happen next week! So we agree broadly what we want to achieve and then leave it up to them.'

At an individual self-management level, work and life are seen as integrated, especially in terms of priorities. I might prioritise a family illness over a work meeting.

The article shows that there is no 'best way to lead' but that different

styles and cultural practices are best for different circumstances. The Gulf Arab leadership style is brilliant at setting strong vision, getting buy-in and building engagement, whereas the US/UK style is great at planning and implementing complex projects. A combination of the best of all styles may well turn out to be optimal.

Professor William Scott-Jackson,  
Oxford Strategic Consulting

## An emphasis on more than profit

Simon Caulkin's piece is excellent. I think that there are some common strands in the different models: long-term thinking, fostered by close ownership patterns; an emphasis on building a loyal employee base through development programmes; project-based structures with an emphasis on innovation; and so on.

What strikes me is how different this is from the outsourcing gig



Simon Caulkin's article suggests that the future norms of management are hatching outside of Anglophonia



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economies that the West is developing. In a sense, the newcomers are doing what we once did in firms such as Cadbury and even my old world of Shell, only they are doing it with conviction and not just because it is profitable. I will always think that it was the Chicago school's agency theory and shareholder value that changed everything for us.

Charles Handy, author of *Understanding Organizations and Gods of Management* and, most recently, *The Second Curve: Thoughts on Reinventing Society*

### Society crucial to business model

These progressive global management philosophies have one thing in common that separates them from the Anglo-Saxon orthodoxy – they integrate societal considerations deeply into the core business model.

Often US and UK companies perceive social goals as, at best, tangential

to commercial aims and, at worst, in conflict with shareholder value. Companies that connect with society outperform their peers by 2% per annum on the stock market – this is the new frontier of competitive advantage. These returns tend to take five years to materialise, however, which makes them less attractive to CEOs, who might not be around to reap the rewards. That's why boards have such a crucial role to play in encouraging management teams to learn from their emerging-market counterparts' long-term thinking. Many of the companies referenced in Simon Caulkin's piece are controlled either by families or states. These owners take a much longer view than *Fortune* 500 CEOs chasing the next quarter.

Tommy Stadlen is co-founder of Polaroid Swing, and co-author of *Connect: How Companies Succeed By Engaging Radically With Society*

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The new apprenticeship introduces a development programme that combines management theory, through ongoing study for a master's degree, with practical application, through the work-based elements of the process.

CMI wants to hear your views on its draft proposals and what you want to feature in the new Level 7 apprenticeships.

"This is your chance to shape an exciting

development programme that is in line with the new apprenticeship agenda," says CMI head of apprenticeships Alison Cox.

"We are looking for a standard that helps people in senior strategy positions with their workforce-development plans, gives them insights to develop their organisations and helps them to lead their organisations effectively."

To take part in the survey, visit:  
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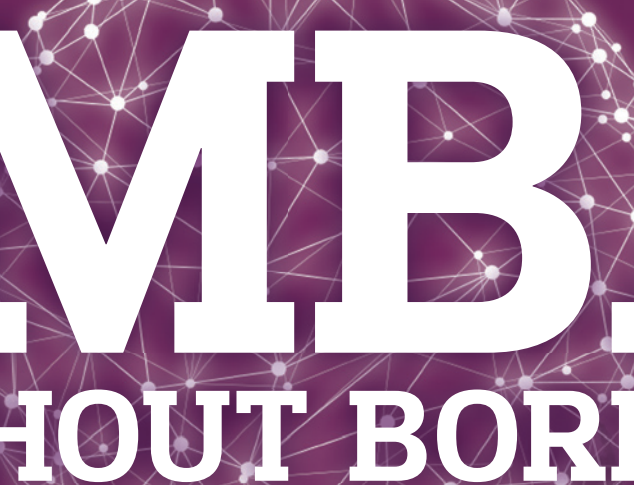
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BREAKFAST  
WITH...

# Brigadier Suzanne Anderson

Head of Individual Development for the British Army

WORDS *Matthew Rock*

GUNSHOTS CRACKLE OVER the cold, hard ground at Sandhurst in Camberley, Surrey. Two armed Gurkhas stand guard as I drive through the gates at the home of the British Army officer.

Brigadier Suzanne Anderson, the army's Head of Individual Development, is ready for a big day. This morning sees the launch of the updated *Army Leadership Code*, the blueprint for how the army views leadership.

Our interview takes place in the Gloucester Room at Robertson House, an impressive late-18th-century building. A large animal skin hangs on the wall by the stone fireplace. Breakfast is hearty sausage sandwiches and we're both soon tucking in.

Anderson, 48, is one of the most senior women in the British Army. After completing a master's in linguistics at Cambridge, she signed up in 1994, drawn by the combination of adventure and academia. Since then, she has seen varied service, including commanding a university officer training corps. Today, to put it in commercial-world terms, she is the army's head of talent.

Her role has three main aspects: making the army's offer as inspiring and tangible as possible for potential recruits; encouraging soldiers to acquire qualifications to go with their skills; and making sure soldiers and officers are always prepared for life outside the military.

Social changes are affecting each aspect. When Anderson joined the army, she knew certain roles would be out of

bounds. Today, women can serve in all areas of the army.

The army must present itself as inclusive of all sectors of society, as well as challenging any misconceptions that it is rigid and overly hierarchical. And it must be flexible enough to accommodate new types of recruit, whether they are career changers or from different ethnic backgrounds. "We need to understand the future workforce, not just the workforce we've got today," says Anderson.

Soldiers develop many skills as part of their training, but may neglect to gain the associated formal qualifications, which can leave them feeling they have nothing to offer. "It's my job to say: 'You've got the skills; why not get the piece of paper as evidence?' That way, instead of saying to a civilian employer 'I was an artificer in the Royal Electrical and Mechanical Engineers', you can say 'I was a mechanical engineering professional, leading a workshop'."

To this end, via the Army Skills Offer, the army has funded 37,000 certificates, predominantly in areas of leadership and management. This is at the heart of CMI's relationship with the army.

Then there is transition and resettlement. For some people, leaving this very structured life can be difficult. Here, too, attitudes are changing. I was struck by Anderson's comment that, almost from the moment they enter the army, soldiers are encouraged to consider life outside it. This is what is known as 'whole-life development' – train, develop, retain and transition.

Before I leave, I'm given a quick tour, including Old College, where newly commissioned officers march up the steps at the end of Sovereign's Parade. With its stately buildings and sculpted grounds, Sandhurst may look different to the commercial world, but the British Army is just one more organisation that is working hard to stay relevant and ensure its people are as skilled and adaptable as they can be, in a volatile, uncertain world.



Old College, Sandhurst, which was illuminated as part of Pride 2016 to show the army's more inclusive outlook





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# Great minds. Not alike

It's time to scrap outdated selection and recruitment practices

WORDS *Pavita Cooper*

**WHEN IT COMES** to workplace diversity, we've made significant progress over the past 10 years. Managers have heard and understood the business case. That argument has been won. Now it's about making sure our workplaces reflect the society in which we operate in terms of issues such as race, disability, social mobility and sexual orientation.

Arguably, we have made the most progress with gender diversity. Women make up a large proportion of the workforce, so it was an obvious place to start. And many believe this focus has a halo effect, encouraging a more inclusive attitude to hiring generally.

But there are still obstacles to tackle, particularly in terms of career progression. If you look at the gender split at the entry level, you pretty much have parity. But track men and women's career trajectories after seven years, and the numbers start to change. Workplaces are losing women, and not just to childcare. Women leave organisations in search of a different workplace culture – perhaps one with more flexibility – or to set up on their own.

At the 30% Club, which campaigns for greater female representation on boards, we're doing research to explore the role of line managers in helping men and women to progress. The research process itself has been revealing. The participants, both men and women, have seen how easy it is to make assumptions about someone's career, their attitudes and their ambitions.

There is no one-size-fits-all solution to promoting inclusiveness. It is

different for every organisation, at every level. Some businesses are looking at processes, the fairness of performance measures and agile working. Equalising parental leave is a good example of where a difference is being made – Accenture, PwC, KPMG and Facebook are just a handful of businesses that have rolled this out for both men and women.

Sometimes, the sticking points are cultural. The aim is to create a discrimination-free culture where individuals feel they can be themselves. But, often, people can subconsciously

*“Actively seek out people from an under-represented group, rather than just assuming the candidates you get from HR are your only options”*

put barriers in the way – we are all susceptible to bias, and it can worsen in industries under financial or competitive pressure, or where working 24/7 is common. Still, even here, it is possible to find solutions that ensure great employees are promoted.

I also believe the tone is set from the top. If leaders encourage presenteeism and an expectation that you must work all hours, people will silently opt out.

We need to learn how to work differently. There are some outdated working practices that we are being forced to address, thanks to mobile

technology and the expectations of millennials. Organisations that don't adapt will struggle to attract the next generation of talented people.

We also need to find ways to talk about more sensitive issues to do with inclusion, such as race. People are afraid of saying the wrong thing, so they say nothing and withdraw from the subject. Like it or not, racial discrimination is becoming a focal point. Perhaps the Parker review, which is calling for at least one “leader of colour” on FTSE 100 boards by 2021, will, like the Davies report, spur executives to take action.

Managers need to look at their workplace with fresh eyes. What is the make-up of your workforce? Does it reflect the place you live and the customers you serve? Often it does not. Look at what level the minority numbers drop off. Do you attract a diverse range of people? Be engaged and actively seek out people from an under-represented group, rather than just assuming the candidates you get from HR are your only options.

If you're a manager and you aspire to a leadership position, one of the ways you will be measured is the degree to which you attract the best talent. So, if you're not actively looking to surround yourself with the best people, you're not going to stand out.

**Pavita Cooper** is the founder of executive search and talent advisory firm More Difference, and is a member of the 30% Club's steering committee. CMI is currently leading research into BAME issues in the FTSE 100, due for publication in summer 2017. To contribute, contact [research@managers.org.uk](mailto:research@managers.org.uk)

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# The Great British Fake Off

There's no proof that European judges like meddling with our employment laws

WORDS *Mark Crail*

**FIVE YEARS DOWN** the increasingly potholed road, we may look back on the furore over Brexit and wonder what all the fuss was about.

All those jobs in and around the financial-services sector that no longer exist because the banks have fled to Frankfurt or Dublin? No need to worry when lots of vacancies are opening up in a fruit-picking sector starved of overseas labour. Problems in the NHS because someone told all the doctors and nurses from other parts of the EU that they were no longer required? Well, with art history and archaeology cleared from the school curriculum, we can work up the NVQ Level 2 in orthopaedic surgery.

But, hey, at least we will get our sovereignty back. No more of that European Court of Justice (ECJ) overruling our good old British judges.

Except that, in the employment field at least, that has never been the case anyway. In all honesty, it is a struggle to find any major ECJ rulings in recent years that have overturned UK Employment Appeal Tribunal (EAT) decisions.

Think back and what springs to mind? A case involving a BA worker being removed from public view for refusing to stop wearing her crucifix, perhaps. Except, in that instance, the final appeal was to the European Court of Human Rights (ECHR), and it really makes no difference how hard a Brexit we execute – the ECHR has nothing to do with the EU.

Then there is the Nolan case, in which employees at a US Army base in

Hampshire claimed the US government had failed to consult them properly over planned redundancies. The case went to an employment tribunal, then to the EAT and finally to the Court of Appeal, which referred it to the ECJ. But the ECJ took one look and chucked it right back, pointing out that it actually had no authority to deal with the case.

There's also been the long-running saga over holiday pay and commission known as the Lock case. Here, the courts,

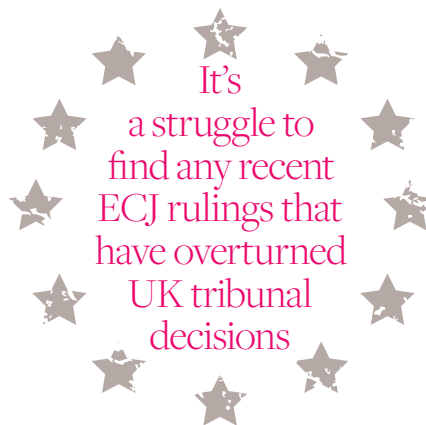
that, whatever UK legislation might say, what it really means is what is in the directive. In fact, it might open up a whole can of worms for the government if the ECJ disagrees. So no complaints from ministers there if European judges want to impose their will on the UK.

Of course, there are instances where the British and European courts do not see eye to eye. In 2013 there was an EAT decision involving the shopworkers' union USDAW that threw the consultation process for collective redundancies into chaos, to the surprise of neutral observers. The ECJ overturned that and returned the law to its previous state. No doubt USDAW and the Woolworths workers who lost out on bigger payouts when the chain closed were less than amused. But you could hardly characterise it as Europe riding roughshod over the settled will of the UK Parliament and legal system.

So, no, quitting the EU because we think it will give us back our sovereignty by preventing European judges from meddling with legislation passed by British MPs and interpreted by British courts is, as arguments go, something of a non-starter, at least as far as the employment field is concerned.

So let's get back to real debate about building a booming post-Brexit economy on the export of exotic jam. At least if a baking-based format works we can always sell it to someone else.

**Mark Crail** is content director at XpertHR. Tweet him: @Payintelligence



both UK and European, have been struggling to fit together a hoary old bit of UK legislation dating back to 1963 with modern employment practices, as well as the more modern Working Time Directive (EU law) and Working Time Regulations (UK law). The case rumbles on but so far the EAT (and, behind the legal scenes, the government) has been keen to ensure

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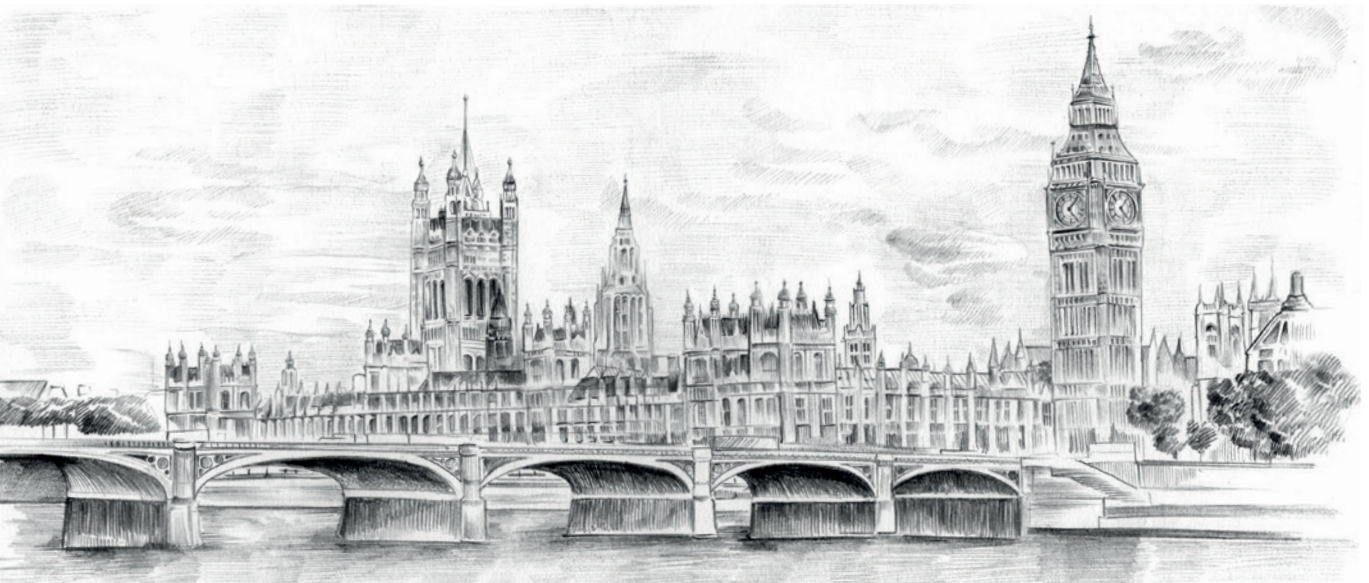
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# UK, re-industrialised

An effective industrial strategy must pass these four tests

**WHAT DOES AN** industrial strategy for Britain in the 21st century look like?

The Labour Party has laid out four tests – for ourselves, as well as the government – that an industrial strategy must pass if it's to meet the needs of Britain. For the future industrial strategy of the UK is no longer just a point of competition between political parties; it's key to steering our country into calmer waters.

First and foremost, an industrial strategy must make Britain one of the most dynamic, competitive and productive economies in the world.

This means building on our strengths – advanced manufacturing, automotive, aerospace, digital, biotech and the cultural and creative industries. And it means engaging new markets. Harnessing the benefits of new technologies. Galvanising activity across sectors.

Britain has many great strengths to build on, but the pace of technological change is speeding up and we have to stay ahead. More than that, we must drive the curve, in the interests of citizens, consumers and business alike. It's only through innovation that we can achieve smart, sustainable and inclusive growth. To be competitive, we need to harness the skills and productivity of all our workforce. Technology can enable us to do that.

We must lead the world into the fourth industrial revolution – just as we did the first.

Second, an industrial strategy must take our whole country with it. Shifting our economy's centre of gravity away from London is a necessity – for Londoners suffering a cost-of-living crisis, as much as for the regions left behind.

The idea that only cities can be the engines of growth has weighed too heavily on all of us in recent times. This country is much more than its big cities. There are more than 40,000 towns and villages in Britain and we want to unlock the potential of every single one of them.

Third, an industrial strategy must be people-centred, providing good jobs and improving working conditions across the country. This means well-paid, secure jobs and a proper role for our trade unions. And it means equipping workers for an era in which technological change is ever more rapid. That means providing lifelong support and retraining to those working in the sectors that are changing fastest, and ensuring that the growing numbers entering self-employment enjoy the rights and the social safety nets they deserve.

Good employers know that the difference between average and world class lies in the extent to which you tap the endless potential and creativity of employees. Good management and strong unions must act together for change.

The National Minimum Wage must – ultimately – become a real living wage. State-sanctioned poverty pay is not the path to a better future.

Fourth, the strategy will depend on – and create – a healthy business culture. By providing access to patient finance and a healthy investment climate, we'll tackle short-termism and support value creators, while taking on those who use companies merely for their personal gain.

Too often, industrial strategy is a byword for a series of disjointed policy interventions. But the scale of the challenges we must confront means this is no longer enough. We're working with innovation economists such as Mariana Mazzucato to develop a mission-oriented strategy – one that rallies the nation's resources, public and private, natural and human, to meet specific, measurable and time-limited accomplishments.

This isn't about picking winners, or pouring money into white elephants. Instead, we'll initiate and direct a wave of innovation across a range of industries. We'll set the missions, put in place the right institutional framework and support, and then let business figure out how to get there.



**Clive Lewis MP** is the shadow secretary of state for business, energy and industrial strategy. This is an extract from his speech in November to the Royal Society of Chemistry



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# Let's banish the workplace blues

We need to nurture employee wellbeing if we're to boost UK productivity

WORDS *Petra Wilton*

**THE THIRD MONDAY** of January has been awarded the gloomy title of 'Blue Monday'. It is, apparently, the most depressing day of the year.

According to some, a university professor determined this day to be the year's most depressing by taking into account factors such as weather conditions, debt levels, the time elapsed since Christmas, low motivational levels and feelings of a need to take action. However, in a post-truth age, others argue that this date was just selected as part of a PR stunt by a travel company.

Whatever the truth, the reality is that we all need to deal with the £19bn cost of overworked and stressed staff, and the resulting mental-health issues that affect far too many employees.

## **Productivity: all in the mind?**

We know the UK has a productivity problem; in terms of output per hour worked, it currently ranks 21% lower than the average for the other six members of the G7 (the US, Germany, France, Italy, Japan and Canada). And, despite a still growing economy, the UK government is scrambling to find a solution to help plug the gap. In the Chancellor's Autumn Statement, the focus was on capital investment in our infrastructure

and new technologies as a way of improving productivity, but there was very little focus on how we can build social capital and improve workforce wellbeing.

This time last year, CMI published its *Quality of Working Life* report with Professor Sir Cary Cooper CCMI, exploring managers' wellbeing, motivation and productivity. The

**“Helping managers to strike the right work/life balance must be a priority for both employers and government”**

conclusions are inescapable. Good, skilled managers know that they need to switch off, and allow their employees to do the same. The report highlighted the difference that good management makes to employee engagement, wellbeing and ultimately performance. As such, helping managers to strike the necessary work/life balance must be a priority for both employers and the government in facing up to the challenge of improving productivity.

However, the last wholesale government review of workplace health and wellbeing was carried out back in 2008 by Dame Carol Black CCMI. Her latest review, published at the end of 2016, was focused on employees with drug and alcohol addictions, but still shows how employment plays an important role in improving people's wellbeing and self-worth.

To remind managers of the impact of work, Dame Carol aptly quotes Sigmund Freud: “No other technique for the conduct of life attaches the individual so firmly to reality as laying emphasis on work: for work at least gives one a secure place in a portion of reality, in the human community.”

## **Leaders who care**

We need leaders who can build engagement with their employees, build trust and create this sense of community. Until we start investing in these skills, we won't see any dramatic improvements in the UK's productivity. As Professor Cooper says: “The magic bullet is having top-rate managers from shop floor to top floor, who have these social, soft skills and create a wellbeing culture.”

This is the cure needed to banish those workplace blues.

To the casual observer, Direct Line probably looks like a straightforward, successful insurance group. It is, in reality, one of the most dramatic and ultimately effective turnaround stories in British business

WORDS *Matt Scott*

PHOTOGRAPHY *Michael Leckie*

*Inside a  
turnaround:*

# THE DIRECT LINE STORY







CEO Paul Geddes  
rang the changes  
at Direct Line

# I

**APRIL 1985**, Direct Line turned the world of insurance on its head. In an industry ruled by intermediaries, the upstart new company sold insurance purely over the telephone, thus removing the need for a broker. In so doing, it allowed insurers to interact directly with consumers for the first time.

At the time, the business only sold motor insurance, operating from a tiny office in Croydon, with just 63 employees. Today, as an independent, publicly quoted company, Direct Line Group (DLG) employs more than 10,000 people and sells to more than 15 million customers over numerous lines of business.

But the path to success hasn't always been plain sailing. The 2008 financial crisis hit RBS (by then DLG's owner) very hard. RBS ended up in state ownership as part of the government's £50bn bailout of the big banks.

DLG chief executive (and CMI Companion) Paul Geddes headed up the bank's retail banking unit at the time, and was at the frontline of the crisis that saw RBS's share price drop by more than 97% and the bank report the second-biggest loss in UK banking history.

"There were a few things to learn from that period and one is the need to keep talking to people all the time, even if you have nothing new to add," Geddes says. "Sometimes even just hearing something is what people need, even if it is just to say: 'Since I last spoke to you, nothing's changed.'"

## A new beginning

As a result of receiving state aid, RBS was forced by European regulators either to sell or float its insurance business, and was given a deadline of the end of 2014 to complete the transaction. Geddes' boss at the time, Stephen Hester (now CEO at rival insurer RSA), asked him to take over at Direct

Line and guide the insurance group onto the stock market.

For Geddes, the deadline and the knowledge of how much needed to change had a bracing effect. "Crises help focus energy, so having immovable timelines makes you very bold and decisive," he reflects. "You can't have a business on a war footing all the time, as it is exhausting, but it does overcome some of these obstacles to change – complacency [and the sense that] everything is fine or 'I quite like the way we are'."

"It was absolutely evident that where we were wasn't good enough and so we had to change it."

One area where drastic change was required was pricing.

Under the previous regime, serious mistakes had been made, including an under-provision for claims relating to whiplash injuries due to traffic accidents. These would dog the market for years and eventually force DLG to plough almost £400m into reserves for its motor policies.

"Our forefathers were rather blindsided by it [bodily injury claims]," says John Reizenstein, DLG's chief financial officer. "They had not planned for it and had taken on the wrong business, including in commercial lines, and they had left themselves under-reserved as a result."

"After Paul unpicked things, he discovered that we had written lots of the wrong business at the wrong price, and had under-reserved for it, so the company made a loss in 2009 and 2010."

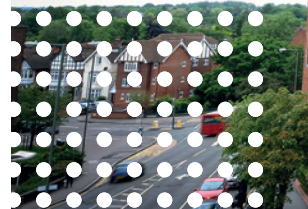
To fix the issue, Geddes took the bold decision to increase prices across the board. He then took the even bolder decision to walk away from some lines of business entirely.

"For us to IPO on the date we wanted [October 2012], that required us to have a business that was of a particular level of profitability. We just had to walk away from business that could never get that profitable," says Geddes. "You are probably never going to be brave enough to do that as clinically and quickly as I did it without having this ticking clock [of the IPO]."

## Tough decisions

As Geddes sought to find £100m of savings by the end of 2014, consideration inevitably turned to headcount.

It was decided that almost a third of senior manager roles needed to be cut. And DLG would have to look at closing 14 of the insurance



Top: Direct Line's HQ in Bromley

Middle: CFO John Reizenstein

Bottom: COO Steve Maddock

## DIRECT LINE TIMELINE



**OCTOBER 2008**

RBS nationalised as part of a £50bn state rescue package to save the big banks.

**AUGUST 2009**

Paul Geddes moves to head up Direct Line after previously being in charge of RBS's retail banking division.

**AUGUST 2010**

RBS announces it is to close its Cardiff call centre as part of plans to shut down 14 of the bank's 27 UK insurance sites.

**DECEMBER 2010**

John Reizenstein joins Direct Line as chief financial officer.





**“We had to say goodbye to 3,000 colleagues in the claims department alone”**

business’s 27 UK offices. For the senior leadership team, these were dark times.

“Decisions like that weigh heavily on everybody’s minds,” says chief operating officer Steve Maddock. “You’re talking about impacting families and children, and there are a lot of consequences. We had to say goodbye to just short of 3,000 colleagues in the claims department alone.”

The team was determined to be as clear and open in its communications as possible. Specifically, they would give long lead times about planned changes. In the case of DLG’s Cardiff office, staff there knew of the planned closure in 2010, three years ahead of schedule. This allowed people to plan for the future, even if that meant the business being at risk of losing too many people ahead of closing down.

“We set some very clear principles, and one was that we were not going to sit on and hide any information from anyone affected,” says Geddes, “so, when we knew we had to shut Cardiff in three years’ time because we had a lease break, [we told them].”

He adds: “We could’ve waited till the year before it closed to tell people, but there was no way I was ever going to sit on information where, if somebody is going to be turning down another job or buying a house and I knew something about their life that they didn’t – that is unacceptable.”

To help staff affected by the closures and redundancies, DLG set up retraining sessions and even ran interview training and job fairs to help employees find new roles outside the company.

The decisions about which sites would be affected took account of the likelihood of employees finding a new role. In some cases, sites with high staff turnover – an indicator of an active local jobs market – were specifically identified for office closures.

While the decisions were difficult, Geddes and his team knew they had to make them. “Too many people means accountabilities aren’t clear and people are jumbling over each other,” he says.

There were benefits, too, for the people who stayed. “People today would say that it feels like their company a bit more. When you are 10,000 people doing something in an organisation of 170,000, the company is the man and, whatever you do, there is not much of a link between



**FEBRUARY  
2012**

RBS Insurance rebrands itself as Direct Line Group (DLG) in anticipation of its separation from the bank.

**SEPTEMBER  
2012**

RBS confirms its intention to sell DLG. The bank also announces 900 jobs are to be cut from its insurance business.

**OCTOBER  
2012**

DLG is listed on the London Stock Exchange in the biggest IPO of the year.

**JUNE  
2013**

DLG announces a further 2,000 roles are to be lost to job cuts.

**FEBRUARY  
2014**

RBS sells its remaining stake in DLG.

**SEPTEMBER  
2014**

DLG gains entry to the FTSE 100.



A middle-aged man with glasses, smiling, wearing a dark suit, light blue shirt, and a red tie with white polka dots. He has his arms crossed and is wearing a watch on his left wrist. The background is a solid blue color. On the left and right sides of the image, there are decorative elements consisting of a grid of white dots.

**“It does feel more like a family business now. We’re big enough to have lots of resources, but small enough that the company isn’t an ‘it’ or a ‘them’”**



your performance at the company, your reward and the future of your career, whereas in a company of 10,000, it is worth having an idea that will save the company £500,000 because that means we can grow some customers.”

To nurture such ideas, DLG has created what it calls its Ideas Lab, a staff suggestion scheme that can net employees up to a £50,000 bonus for the right initiative, as well as the opportunity to work on developing the scheme themselves.

“The whole premise of the Ideas Lab is giving people permission to challenge the norm,” says Maddock. “It’s about skilling the organisation to become agents of change. We don’t want the ideas of our people disappearing into a change vacuum.”

The executive team is also open to challenge and scrutiny from all areas of the business.

‘Employee representative boards’ have been established to consult on major changes, such as the job losses required towards the beginning of the change process, and to get feedback on the way the business is being run.

Employees have even set the company’s values. (See ‘Values, Direct’.)

“Usually the exec team disappears for an away day and then all of a sudden you get a mission statement on a Monday morning,” says Maddock. “We didn’t do that. We held workshops with everyone in the business and our values were presented to us by our frontline colleagues.”

“The brief was: can you describe the type of organisation that you would like to work for? The exec team had very minimal input into the creation of the values and that of itself has been incredibly powerful for us.”

As a result, employees at Direct Line are impressively engaged. Indeed, Direct Line’s employee-engagement score rose from 60% in 2015 to 73% in 2016. In staff surveys, more and more people are moving into “the champion box” where they are seen to be a champion of the business, rather than just neutral. “If you are a champion, you are very loyal, recommend us as a place to work and feel good coming to the office,” says Reizenstein. “Our people see us as successful and they are getting some rewards for that.”

Those rewards include a share scheme that gives employees a stake in the company if the business performs well, and that aligns staff performance with the wider business strategy.

### **Mission accomplished?**

When I speak to Geddes at Direct Line HQ in Bromley, he is in jovial spirits. He is as comfortable joking around with our photographer as he is talking about the latest management thinking.

So is the turnaround now complete?

Shares in DLG have soared since the IPO and the business has once again returned to profitable growth, with a reputation for solid underwriting and reserving. In each of the five years following the 2010 injection of funds, the insurer has been able to release significant funds from prior-year reserves.

## **VALUES, DIRECT**

**WHAT  
DIRECT LINE  
EMPLOYEES  
CHOSE AS  
ITS VALUES**

**+  
DO THE  
RIGHT THING**

**+  
AIM HIGHER**

**+  
WORK  
TOGETHER**

**+  
TAKE  
OWNERSHIP**

**+  
SAY IT  
LIKE IT IS  
+  
BRING ALL  
OF YOURSELF  
TO WORK**

Paul Arnold, a director at change-management experts Able and How and a keen observer of big change-management programmes, is very impressed. “It took 18 months to separate out every single strand of the business, from customer data to independent functions and governance,” he says. It was “a case of operating from a burning platform”.

The approach, says Arnold, had to be one of “controlled urgency; there was no plan B and the leadership teams embraced the need to shift their people on to the next step as rapidly and as efficiently as possible. Once the separation had been effected, the focus was on creating a new brand and rapidly building the business into a viable standalone operation.”

But, whatever the market thinks, Geddes and team are not resting on their laurels. “People tell you how marvellous you are, and you probably aren’t as bad as when you came in, but you are never quite as great as you are when you say you are doing well.

“A lot of it is having the right board, which keeps grounding you in humility.

### **The next generation**

DLG is now launching its first graduate and apprenticeship programme to help prepare its next generation of leaders. Geddes himself went through extensive management training while at Procter & Gamble.

“You assume management skills in other people, but most people when they join a company don’t get taught them,” he says. “You’d never expect a doctor to just make it up as they go along, and similarly there is best practice in management, which is a teachable, learnable thing.”

Maddock and Reizenstein both talk admiringly of Geddes’ humility and rational approach. Geddes himself describes the change process as akin to undergoing surgery in hospital; building muscle to be a competitor once more; and then growing profitably once the rehabilitation has taken place.

He believes wholeheartedly that DLG will be successful, but you sense that he’s still learning from the challenges it has faced.

“You have to respect the past, be really honest about the present, and be optimistic about the future,” he says. “It is one of those ones where I never doubted we would get there, so I had natural optimism, but I was also absolutely free to go: ‘You know what? We are not very good at this; we need to make massive improvements.’

“In the middle of the crisis, we were having to make a lot of people redundant, shut a lot of offices, turn away a lot of business and shrink quite a lot – that’s pretty grim if you don’t know why you are doing it. So it was great to be able to have the narrative and the storyline to say: ‘Here’s the picture on the jigsaw box; we are heading towards being a brilliant business.’

“It does feel more like a family business now,” Geddes reflects. “We’re big enough to have lots of resources, but we should be a small enough company that the company isn’t an ‘it’ or a ‘them’.” □





# STRENGTHEN YOUR CORE

## EIGHT REASONS YOU SHOULD LOVE YOUR MIDDLE MANAGERS

WORDS *Stuart Rock*

ILLUSTRATIONS

*Bratislav Milenkovic*

IT'S THE STAGE where idealism and passion are lost, where hopes stagnate and pathways to progress disappear. Its inhabitants are an organisation's permafrost, trapped between the realities of customer demand and the aspirations of senior executives – and they are blamed both by the top team and frontline staff.

Welcome to the world of the middle manager.

The appellation 'middle' doesn't help; being in the middle implies being average. "The terminology is terrible," says Steve Henry, CMI Companion, influential adman, and a co-founder of Decoded, the disruptive training company that teaches 'coding in a day'. (Henry knows about terminology, having created Tango's Orange Man campaign and having come up with Ronseal's 'It does exactly what it says on the tin' campaign.)

It's not just a crisis of terminology, but also of technology. The imperative for flatter, horizontal company structures, the automation of processes and the breaking down of hierarchies (stoked by instant-communication tools) mean that middle managers not only face the threat of culls, but also the existential threat of irrelevance.

But hold on – not so fast. No CEO is asking to replace their middle-management layers with thousands of direct reports; the most successful organisations are those in which leadership teams recognise what makes the role valuable.

Here are eight reasons to cherish and nurture your middle-management layer. ▶





## People on the frontline of a business have to be led – so middle managers have to know about leadership too

### 1 **THEY MAKE ORGANISATIONS PERFORM BETTER; REALLY, THEY DO**

Octavius Black is CEO and co-founder of Mind Gym, a stonkingly successful company that designs and delivers corporate learning and development programmes via 400 coaches in more than 40 countries. For him, it's the quality of middle management that determines corporate performance.

Swap a poor manager for a good one, and you get serious productivity improvements, says Black. He cites a study by Stanford University that analysed the performance of more than 23,000 frontline workers over a four-year period: replacing a poor manager with a strong one correlated with an increase in productivity of 12%; the additional output gained by adding a new member to the team was lower, at 11%.

### 2 **THEY GET STUFF DONE**

Middle managers execute strategy – they're the people who get things done. More than that, they interpret and build out the strategy into actionable plans. That means they must understand the strategy and how it relates to the wider organisation – not just their own department or area – and be capable of providing input into the strategy.

Middle managers coordinate. "A company that has middle managers is, by definition, large enough so that individuals don't automatically see the totality of what is happening," notes Christoph Loch, director of the Cambridge Judge Business School at the University of Cambridge. Middle managers ensure that the left hand of an organisation knows what the right hand is doing. If they are not motivated to coordinate, fragmentation follows.

Middle managers lead. People on the frontline of a business have to be led, guided, motivated and rewarded – so middle managers have to know about leadership too.



### 3 **THEY EMBODY YOUR CULTURE**

In many cases, middle managers are the “emotional and functional memory of the organisation”, says Maggie Buggie, global sales officer of Capgemini’s digital business and a CMI Companion.

“They encapsulate the organisation’s values through their behaviour and knowledge of its processes. They personify and embody the culture of an organisation. The stories that make up an organisation are told via middle managers. Most people’s points of reference about ‘the management’ come from their interaction with middle managers.”

### 4 **THEY MAKE SURE INFORMATION IS TRUSTED**

In the old days, the middle manager controlled information flows. In modern organisations, information does not just flow from the top down or bottom up – most of it flows horizontally. So now the middle manager faces a constant wave of information and must help to structure and translate it into decision-making.

In knowledge industries, just as much as on a factory floor, middle managers are there to get the most out of scarce resources – be that productive thinking time or the efficiency of production or distribution.

So middle managers are the lifeblood of an organisation, serving as key communicators, connectors and, crucially, trust builders.

CMI’s report, *The Middle Manager Lifeline*, found that middle managers who trust their organisation ‘to a great extent’ are more likely to be found in organisations that are growing: “A trusting working culture is a building block for growth – and that trusting working culture is built on good communications.”

It’s “a remarkable correlation”, says Buggie.

### 5 **ONLY THEY CAN CASCADE STRATEGY**

Technology isn’t going to automate away the link between strategy and the shop floor. “Technology won’t replace middle managers in understanding, executing and inputting into strategy,” says Loch. “It requires competence and intelligence to cascade a strategy, and to understand the interlocking parts of an organisation.”

There are many middle-management skills that require physically getting together and that can’t be replicated online. Leadership is a prime aspect. The importance of management by walking about cannot be underestimated, as *The Middle Manager Lifeline* report reminds us.

The survey respondents stressed the importance and value that middle managers place on leaders who engage with all and keep employees

informed in an open, honest fashion. Equally, the effective middle manager provides oh-so-vital, regular face-to-face contact with employees down the chain, or external partners and suppliers.

“There’s a lot of talk about networked and diffuse organisations,” says Buggie, “but this report tells us that, even as we digitise interactions and automate processes, there remains the incredibly important role of ‘face time’, and the power of emotional and social bonds in building effective teams.”

Ultimately, says the CMI report, middle managers are critical for creating ‘civic’ engagement across the workforce – through communications, integrity, visibility, interaction and connections.

### 6 **THEY DO DETAIL (NOT EVERYONE CAN THINK ‘BIG PICTURE’)**

“Middle managers must never be viewed as failed top managers,” says Loch. “They play an important and distinct role, doing things that top managers cannot.”

“They need to have the ability to think about the strategic direction of their organisation, as well as the operational details that lie within their responsibility,” he continues. “That’s not a trivial statement.”

“Every organisation has people who just focus on details and others who just think about the big picture – but the middle manager is in the middle. To do this well is very demanding. They also need the ability to work with numerous stakeholders and bring them together when their interests are not aligned.”

### 7 **UNLIKE SENIOR MANAGERS, THEY BUILD RELATIONSHIPS QUICKLY**

In a fast-moving, project-based environment, team compositions can change fast. “Managers need to be able to build swift trust,” says Loch. “That means being able to establish a relationship quickly in which people trust each other sufficiently so that they can get on with the task and be successful.”

This point is emphasised by Henry. “Technology has revolutionised attitudes to business. Companies such as Google have shown that big organisations can also innovate incredibly quickly. They achieve this by having small, empowered teams and demonstrating a high tolerance for failure. Prototyping and pivoting – just constantly doing stuff – is the norm. This is the culture that middle managers have to help foster.”

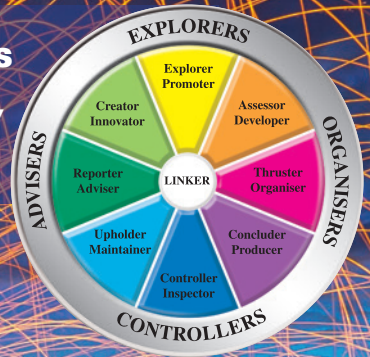
Similarly, says Black, “the big change is that you may now have to manage someone whom you rarely or never meet face to face. You can’t depend on those quick catch-ups, but, instead, you have to be more structured.”



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## The middle manager's goal is more about the accomplishment of the team than their own personal achievement

# 8

### THEY SOOTHE TROUBLED WATERS

Black reckons that there is one pre-eminent skill for all middle managers – “to rebuild, refine, nurture, correct and repair working relationships”.

And that, of course, can often be cross-border and cross-cultural, dealing and working with people with different sensibilities and outlooks. As the local interpreters of global strategy, middle managers play a pivotal role.

“Cultural awareness is a significant skill for the middle manager to learn,” says Loch.

“If I had to boil it down to one thing, it would be the ability to ask better questions,” says Buggie. “Build that ability within middle managers and you get better outcomes.”

“Their new charge is to lead not by fiat, but by influence,” noted Jim Whitehurst, CEO of Red Hat, in a recent article in *Harvard Business Review*. “‘Because I said so’ doesn’t work with the current workforce. Instead of pulling rank with a subordinate or deferring to an executive, today’s middle managers must build influence and gain credibility by listening to concerns and offering context that leads to better decisions... So the middle manager’s role has become less about making sure people do what they’re told, and more about inspiring people to perform at their best.”

They must also be able to ensure that all points of view are heard. “In most organisations,” Whitehurst adds, “the biggest clue that there is disagreement in the room is when nobody says anything at all. Concerns tend to come out around the water cooler, out of management’s earshot. Middle managers can make it safe to raise objections.” That’s a moral courage that can’t be readily replaced by artificial intelligence.

It can also mean putting one’s own ego and ambition aside: the middle manager’s goal is more about the accomplishment of the team than their own personal achievement. The full potential of an organisation will only be truly unlocked by effective middle management.



### IN CONCLUSION

“The conception of the value of the middle manager has not moved with the times,” says Buggie. For her, CMI’s *The Middle Manager Lifeline* report shows that “we need a rethink about their role and contribution. If you strip out those layers, you do so at your peril.”

Rather than seeing middle managers as a layer of bureaucracy, firms should concentrate on developing managers with initiative and high levels of trust. For Henry, that means creating as many autonomous, empowered teams as possible. “In a way, everyone should be in the middle,” he says.

“There needs to be greater clarity of thinking in organisations about the skills requirements of their middle-management cadres,” says Loch. “The tools exist, but that is not to say that most organisations are effectively using those channels.”

The essence of building high-quality middle managers, says Black, lies in constant iterative improvement. “It’s about little and often,” he adds. “They need to learn one small thing per month.”

Ultimately, there is a clear lesson from the ‘unsung heroism’ of effective middle managers, says Loch. A company can have very good people at the top who articulate the vision and give direction. But clear competitive advantage can’t be derived from their strategic vision alone – middle management must translate it into reality, sharpen it and improve it. □

# *Rewiring the degree:* **THE PIONEERS WHO EARN AS THEY LEARN**

WORDS *Elizabeth Oliver*

PHOTOGRAPHY *Louise Haywood-Schiefer*

## **WHY WORRY ABOUT**

whether to go to university or straight into the workplace when you can do both?

A new generation is rethinking traditional routes into work. Instead of the linear university-then-employment option, they're choosing both, fast-tracking their management capabilities while acquiring a degree qualification and Chartered Manager status.

This is earning and learning: with degree apprenticeships, ambitious individuals get paid professional experience, as well as a fully funded university degree.

CMI has been at the forefront of this movement, having worked with employers to develop and launch the Chartered Manager Degree Apprenticeship (CMDA) in 2015. A flood of aspiring managers are already

combining their degree with on-the-job training.

All of this could transform the development of UK business leaders. "Everything that I learn at university is contextualised in my day-to-day role," says Haleema Baker-Mir, a CMDA student at Nestlé. "What could be better than knowing that what you are learning actually works in real life?"

For employers, the CMDA class of 2016 are rapidly proving their worth. "Taking on a younger person [who has not gone through a traditional university education] gives you a better chance of moulding them to the culture of your own business," says Will Holt, dean of Pearson Business School, which runs a number of CMDA programmes.

But don't just take our word for it. Meet some of Britain's new apprentices.







## Timothy Hardie

*After running a Subway store in North Wales, Timothy Hardie, 23, decided he wanted a career change. So he packed his bags, moved to London and, while browsing a jobs site, came across the Chartered Manager Degree Apprenticeship*

**TIMOTHY HARDIE** WAS unaware of CMI before he applied for the CMDA but its “high standard of qualifications and emphasis on earning and learning” seemed too good to pass up. Three interviews and a psychometric test later, he is working as an operations higher-level apprentice at cash-processing firm Vaultex, while studying with Uni@Work (part of the Coventry University Group), which provides higher- and degree-level education in the workplace.

Working in operations at Vaultex, Hardie is involved in all aspects of cash management: tracking the receipt and dispatch of cash, running cash through high-speed cash sorters, cash processing and reconciling, and making up cash orders. Coming into an industry he knew nothing about was “the scariest thing in the world”, but it was also “the most exciting, because there’s so much to learn”.

By collaborating with Uni@Work and the learning and development team at Vaultex, Hardie can take modules that suit his needs. It’s this flexibility that makes the CMDA so exciting: “I love seeing what I’m learning really working in a functioning, successful business.” Balancing university and employment is “definitely intense”, but, with five hours of weekly study time built into his contract, and supportive managers, life never gets overwhelming: “I would rather be busy than bored.”

And the future? “I want to progress as far as I can in this field, ideally becoming a site manager. As soon as I feel I’m not learning, that’s when I’ll move on.” To anyone considering the CMDA Hardie says: “If you have drive and ambition, and an appetite to learn, you can be successful.”





## Mia De'Ath

*When she left college, Mia De'Ath had dreams of working as a make-up artist for film and TV. Now, at the age of 26, she's a B2B sales manager and couldn't be happier*

**FROM HER OFFICE** at Yourcentre, an outsourced call-centre business, Mia De'Ath could see the University of Portsmouth's graduation ceremony. She realised: "I'd really love to graduate one day." Fast-forward a few months, and De'Ath is in her first year of a three-year CMDA with the University of Portsmouth, and still working as Yourcentre's B2B sales manager.

The course has been invaluable. Working full-time since leaving college at 19, she says she "never thought I'd have the chance to do a degree". Previously, she picked up managerial skills "through experience", winning the Customer Contact Association's Professional of the Year award in 2014. But the course has given De'Ath in-depth insight into the theories and operational side of management. She's

now seeing the results of using her new skills at work.

As part of Yourcentre's sales team, De'Ath is always doing "lots of crazy things to keep everyone going". She runs teams, creates campaigns, does performance-management coaching and holds motivational meetings. She's constantly planning new work-related projects "because it's what motivates me; I don't switch off". Balancing university with these responsibilities does involve "chopping and changing", but, with university classes scheduled on one day a week, and supportive mentors, "so far everything's been okay".

De'Ath plans to gain more CMI qualifications and progress with Yourcentre: "Everything I've learned I've put into my work. I'm the type who always wants to learn and get better."



## Sarah Ebockayuk

*It's not every day you bump into BBC Radio 1 DJs and get tickets to Strictly Come Dancing. For Sarah Ebockayuk, these are perks of working as a production team assistant at the BBC*

AT THE AGE of 23, and having working in various marketing and advertising roles since her A-levels, Sarah Ebockayuk was keen to pursue a career in business management. That's when she came across the two-year CMDA. The prospect of gaining a degree from Pearson Business School, Chartered Manager status and, in this instance, paid experience at the BBC was too good to resist.

Currently on a four-month placement in the creative department at the BBC, Ebockayuk's daily responsibilities are enviable: helping to create trails for BBC

One shows *The Missing* and *Ordinary Lies*, assisting on editing and audio sessions, managing administration and checking over creative content. "I even get to see bits of dramas before everyone else does." Her next four-month placement is in the BBC Radio 1 and 1Xtra marketing departments, and Ebockayuk can't wait to start. "I was standing in Radio 1 the other day and I saw Greg James and all these famous people walking about – it's so weird!"

Ebockayuk works four days a week at the BBC and once a week at university, so "finding a routine that suits me is

important". In her spare time, she is a music editor for the online magazine *GIGsoup*. The communications skills she's gained there have been invaluable for her degree apprenticeship. "It's given me the confidence to speak to many different types of people."

Ebockayuk hopes to remain at the BBC and create schemes to encourage emerging artists, local communities and young people into the organisation. "It's something that the BBC does already, but it would be great to see them go further."

## Rav Billan

*Rav Billan experienced a "lightbulb moment" last year and realised she wanted a career change. So she enrolled on the Chartered Manager Degree Apprenticeship*

WORKING FOR THE facilities-management company Acivico, Rav Billan had always admired CMI, particularly its chartered status and its campaigns on the gender pay gap. The latter even inspired her to create her own Twitter campaign, #BreakingTheStereotype.

Studying at Aston University, working as a principal manager and being a 36-year-old mum of three means that Billan "can multitask like there's no tomorrow". Her role involves working with partners, creating innovative social-media content and attending meetings. "I feel very privileged to be part of a network of people where we're breaking new ground."

The degree apprenticeship course has given Billan a clear insight into her career goals and the steps needed to achieve them. "The course has forced me to think about the things I have achieved and the things I still need to do. If, for example, Z is my ultimate goal, every letter of the alphabet represents a different goal and target to get there. I don't belittle the little achievements."

Looking ahead, Billan hopes to progress to a more senior leadership role. "As a manager, you're in a privileged position to shape others' futures and destinies. I definitely feel this course has given me the foundations and skillset to excel at the next stage."

# Christopher Achiampong

*At just 22, Christopher Achiampong's enthusiasm and talent have already got him noticed, appearing as the face of the government's 'Get In, Go Far' apprenticeships campaign*

CHRISTOPHER ACHIAMPONG WAS on a formal apprenticeship pathway with IBM when he became aware of the CMDA. The opportunity to gain paid experience with three different companies over three years, as well as getting a university degree from Pearson College London and Chartered Manager status, really appealed to him.

Achiampong now works in the sales system team at IBM, and has secured placements at Unilever and Tesco. He has a busy schedule of presentations, meetings and networking, but loves that "every day is different". Balancing employment and studying means "things can get crazy but you've got to make it work". Above all, the course has given him opportunities and access to "a world I didn't really know existed".

Growing up in a single-parent family in Newham, an area with "high poverty levels and deprivation", Achiampong is "big on social mobility". He campaigns for social mobility and diversity in the workplace, and is part of IBM's Multicultural Network, sharing his apprenticeship experiences at events. He's also keen to raise awareness of apprenticeships among teenagers, going into schools to do so. He sits on the board of trustees and is chair of the EY Foundation Youth Panel, a charity that supports disadvantaged young people into work. He's also a governor at his former primary school. "The degree apprenticeship has given me the confidence and analytical thinking I need to succeed in the world of business."

What next? Achiampong is excited about his next placement at Unilever and, after completing his apprenticeship, wants to explore a career in sales and complete a master's with CMI. Success seems highly likely.





## Janet Paterson

*Janet Paterson had worked for Acivico since day one, but wanted to understand its new approach to operations and management. Then she got an email promoting the Chartered Manager Degree Apprenticeship...*

### JANET PATERSON'S CAREER

before Acivico had spanned budget management, financial processing, legal services and general administration, but, at the age of 52, she decided on a career change. Despite her initial concerns about "whether it was the correct thing to do at my age – my children probably thought I was having a strange mid-life crisis", Paterson saw the degree apprenticeship as "an opportunity to start a discussion on progression".

Paterson has remained at Acivico as a business planning officer, involved in governance for the company through audit planning and risk management, setting up new processes, and reporting accountability strategically and operationally. But now Paterson also

studies at Aston University, where she is constantly coming across new ideas to implement in the workplace. "I'm always making notes," she says. Self-discipline and experience ensure she strikes the right balance between work and study.

The hardest part of the degree apprenticeship has been "getting back into learning and the academic side". The biggest benefit has been that "I can actively take part in discussions and can understand from the top down what's being asked and translate that into operations. The course has opened my eyes completely."

As for the future, Paterson hopes to progress at Acivico: "I want to make the most of opportunities that arise, sharing the ideas I learn to motivate others."

Find out how your organisation can benefit from the new management and leadership apprenticeships. Small businesses can benefit from up to 90% funding and others can use their apprenticeship levy funds. See [apprenticeships.managers.org.uk](https://apprenticeships.managers.org.uk)

### DEGREE APPRENTICESHIPS: THE CONTEXT

There is a wider economic context to the birth of degree apprenticeships.

British business is in crisis. Productivity is at an all-time low compared to that of other leading nations. An ageing workforce and stubborn skill gaps mean UK plc needs to find a million new managers by 2020.

The problem is exacerbated by organisations failing to train leaders. CMI research reveals that 71% of UK organisations fail to train first-time managers effectively, leaving them ill-equipped for the complexities of managing a team.

In fact, a chief cause of the productivity deficit is under-cooked managers.

However, if we start to develop a new generation that is academically qualified, with professional standards and hands-on experience, the future will soon look much rosier.

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# *The new* HABITS *of* influential LEADERS

WORDS *Matthew Rock* ILLUSTRATION *Nigel Raynor*

IN THE 1980s and 1990s, business was dominated by big corporations. The watering holes were august institutions such as the CBI and Institute of Directors, where portly leaders arrived in chauffeur-driven cars for extremely long lunches. Favours were dished out on the golf courses of the Home Counties.

Then came the new millennium, and 'dot-com' entrepreneurs started making their presence felt. Bright

young things such as Brent Hoberman and Martha Lane Fox brought rock-star glamour to the fusty corridors of influence. The co-founders of Lastminute.com didn't wear ties but they did make money, and that gained them entry to the ranks of the influential.

Scroll forward to 2017, and the traditional order has been well and truly routed. Old corporations have shrivelled in the face of relentless digital assault. Today, an alternative

elite of modern-thinking managers dominates business. These leaders, The New Influential, shun 'old school' habits and mindsets. They operate to a new set of norms and, for them, business and management should dance to a new, disruptive tune.

What are the characteristics of today's influential leaders then? What can you learn from them? And how do your daily habits stack up against those of the management elite?

# 10 HABITS

Mark Zuckerberg (the icon of The New Influential) set himself the target of running a mile a day for a year, but found it so laughably easy that he moved up to doing triathlons.

To be in genuine contention for New Influential status, you should be in training for an Ironman or, even better, an extreme Japanese running challenge.

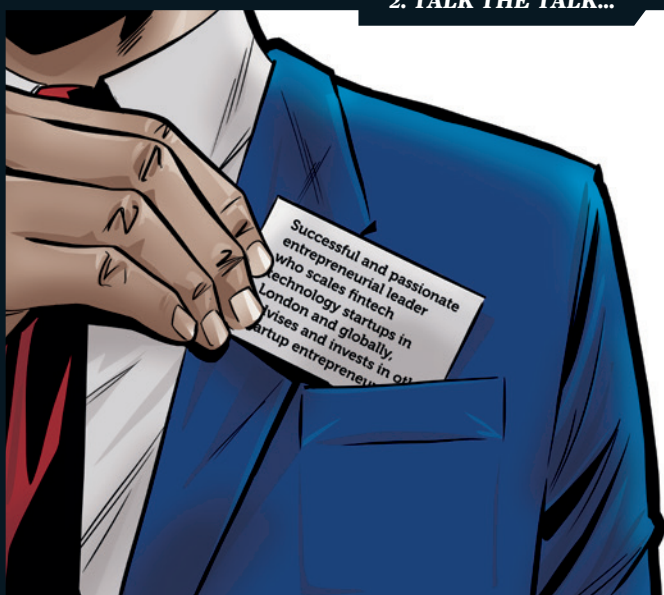
Seriously, the reason so many modern leaders buy into fitness regimes is that they instinctively believe in what the psychologist Anders Ericsson calls “deliberate practice”. In his book *Peak: Secrets from the New Science of Expertise*, Ericsson debunks the idea of natural ability. He insists that, as long as they receive expert guidance, anyone can be pushed to attain superhuman levels of performance.

So it's no surprise that the kind of physical and mental training that athletes do is ever more common among elite managers.



## 1. GET YOURSELF ULTRA-FIT...

## 2. TALK THE TALK...



Business leaders used to bamboozle their minions with the latest management speak. In this less formal age, that won't cut it.

To discover how today's influential see themselves, I used a tool called Textalyser to analyse their LinkedIn profiles. Of the 20 or so people whose text I examined, most had at least 500 contacts. These are the sort of people who start, build and sell companies – before breakfast.

So how do influential people describe themselves? The most common words were: entrepreneur,

co-founder, investor, adviser, change (as in 'drive change'), technology, fintech, scaling (you don't just start companies; you 'scale' them – grrr), collaborative, growth, innovative, London, board, capital, world... you get the picture.

So, if your LinkedIn profile describes you as “a successful and passionate entrepreneurial leader who scales fintech startups in London and globally, and who advises and invests in other startup entrepreneurs”, then you're on your way to the inner circle.



### 3. LISTEN AND INSPIRE...

Say less and listen more. That's the mantra of Michael Bungay Stanier, author of several books about productive working, and founder of the bizarrely named Box of Crayons, which teaches managers how to coach.

Such thinking chimes with reality. Look at the change in attitudes to mentoring, say, which was formerly seen as a refuge for wimps but is now the most respected route to self-improvement. We are reaching the end of overtly macho management.

Author Ryan Holiday says "ego is the enemy"

of the modern leader, as it stops us from developing our talents and learning. Ego-driven managers tend to be risk-averse and intolerant of failure; truly inspirational leaders listen, coach and guide.

Finally, read the seminal Inc.com article '20 things the most respected bosses do every day' (shared again and again online). The first three habits that the author, Bill Murphy Jr, advocates are: "They share their vision", "They develop expertise" and "They respect people's time". Truly, we live in a more giving age.

**I'D LIKE TO SHARE MY VISION FOR THE FUTURE OF THE BUSINESS. WOULD THAT BE OKAY WITH YOU?**



### 4. SHARE PERSONAL STORIES...

The ability to relate inspirational personal stories to workplace challenges is one of the hallmarks of the elite manager. This can be excruciatingly difficult at first, and many leaders will always want to keep their professional and private lives separate. However, as Carmine Gallo has described in two recent CMI webinars, storytelling is the quality that marks out the best and most effective modern leaders, and this view is supported by many titans of leadership.

"It's not enough to have facts on your side," says Vinod Khosla, co-founder of Sun Microsystems. "You have to do storytelling." "Storytelling is everything," says US businesswoman Barbara Corcoran. "Show me an MBA and your sales numbers – that's fine. But tell me a great story and we'll talk."



### 5. SHOW PASSION...

**LET'S CHANGE THE BUSINESS, LET'S CHANGE THE INDUSTRY, LET'S CHANGE THE WORLD, AND LET'S DO IT NOW**

In modern leadership, cynicism has gone the way of the closed-door office. Today's influential leaders are passionate: passionate about work, passionate about changing their industry for the better, passionate about global economic empowerment...

Read their blogs (most have them) and you'll discover that they're passionate about their private life too. They're particularly passionate about their children, though often the kids don't appreciate this – "But, dad, I've already done six evenings of gymnastics/tennis/violin/maths training this week..."





**I'M JUST A BIG,  
WARM, CUDDLY  
HUMAN ALGORITHM**

Yes, passion must shine through, but the decisions of the elite are always informed by data and analytics. Evidence drives the modern leader, and the vast quantities of available data make fully evidence-based management ever more achievable.

In their book *Algorithms to Live By: The Computer Science of Human Decisions*, Brian

Christian and Tim Griffiths argue that humans are increasingly learning from computers (rather than the other way round) and are bringing algorithmic-style decision-making into their day-to-day lives.

As Professor Yuval Noah Harari writes in *Homo Deus: A Brief History of Tomorrow*, we are marching towards the fusion of human and machine learning.

## 6. ROOT DECISIONS IN EVIDENCE...

## 7. COMMUNICATE...

As well as being a storyteller, today's top managers are relentless communicators. They share their vision daily, hour by hour, in the middle of the night, in tweets, on YouTube, in 'town hall' meetings...

As Bill Murphy Jr put it on Inc.com: "The most important thing a leader can do is provide his or her team with a goal that is worth their time." Communicating this "effectively and often" is a constant obligation.

Whatever the situation, it's handy to have a few

inspirational aphorisms at your fingertips. For example: "Too many of us are not living our dreams because we are living our fears." Or "Start with the why".



## 8. BE INFORMAL...

A friend who works for an international insurance broker told me of the shockwaves caused by the office dress code being relaxed to allow (deep breath) business casual clothing. Many of the old guard still can't bring themselves to shed their suits.

In digital land, by contrast, formal dress is as rare as a printed business card. Handsomely paid data scientists, engineers and statisticians generally rock up in the standard uniform of T-shirt and chinos. And that's at the smarter end of the spectrum.

That said, the top modern managers do seem always to be well groomed. Their punishing fitness regime ensures they glow with vigour and purpose.



## 9. AVOID CONVENTIONAL WORKING PATTERNS...

Deluged with information, we now live in the era of 'continuous partial attention'.

True influentials do not have the attention span for weekly catch-ups and hour-long brainstorming sessions so, like M&C Saatchi co-founder Bill Muirhead, they prefer high-intensity 10-minute slots. As noted in this edition's debate on page 12, various unconventional meeting styles are being experimented with, and 'meeting

envy' is becoming a thing of the past.

Increasingly, you'll aspire to what Cal Newport, associate professor of computer science at Georgetown University, calls "deep work", a peaceful state of mind in a highly distracted world, which can only be achieved through intense concentration. Indeed, the behavioural psychologist Winifred Gallagher says elite leaders are marked out by their ability to give "rapt" attention to the most important tasks.



PLEASE DO NOT DISTURB ME DURING WORKING HOURS, AS I AM IN A STATE OF DEEP WORK AND UNAVAILABLE FOR LONG, TEDIOUS MEETINGS

## 10. THINK BIG...

Today's influential leaders see their role as challenging the status quo and 'We've always done it like that' syndrome.

Observing the extracurricular interests of the super-influential, you can see how all orthodoxies are being questioned. Paypal co-founder Peter Thiel has wondered aloud whether government, in its existing form, is sustainable and whether pioneering thinkers should instead be granted extra-legal freedom to test new models (the 'seasteading' thesis). Closer to home, Sir Richard Branson is pushing the boundaries of travel with his space-tourism plans. And Bill Gates and Mark Zuckerberg are battling it out over whose disease-ending plans are the most ambitious.

These kind of visions may be beyond the reach of mere mortal managers, but they hint at a wider truth: today's employees want to be inspired by something beyond money and day-to-day responsibilities. That kind of uplifting leadership should be within the realms of possibility for every ambitious manager.



## AND ONE LAST THING...

Ditch the golf clubs and get into cycling. Golf is so 20th century. The transformation of cycling from the gentle pastime of Oxford dons to the lifestyle choice of the 2017 elite leader has, by contrast, been something to behold. Cycling and running clubs (especially the phenomenal Parkruns) are the networking nerve centres of the new influential. As one super-influential contact of mine puts it on his LinkedIn profile: "When I get home, I ride my bike." Presumably that's after he's taken off his shoes and said hello to his family.





# *Should* try harder

**THE CONTINUING RE-EDUCATION  
OF BRITAIN'S MANAGERS**





The most effective managers and organisations are those that continue to acquire new skills and qualifications. In our annual Peak Career special, we look at the latest evidence of the effectiveness of lifelong learning, and hear from prominent leaders who always strive for the next level

WORDS *Ian Wylie*

**WELCOME TO KENSALFIELD.** With a population of 310,000, it's the 12th-largest city in England and the 14th-largest in the UK. It was substantially extended in the 1950s and 1960s, alongside new towns such as Corby, Hemel Hempstead and Milton Keynes.

Home to five FTSE 100 companies, Kensalfield has particular strengths in logistics, warehousing and science, as well as a growing range of businesses focused on emerging technologies.

Never heard of it? That's because Kensalfield doesn't exist. It's a notional city, dreamed up by the Royal Society for the Encouragement of Arts, Manufactures and Commerce to exemplify how urban centres could become capitals of lifelong learning. In Kensalfield, continuous learning prepares residents for any sort of employment, supporting families and individuals as they navigate multiple career transitions.

The campaign makes a refreshing change from doomsday scenarios of a working world dominated by robots. It was designed to show how we might grow cultures of learning in our neighbourhoods, communities and workplaces: in Kensalfield, no one leaves school with a CV devoid of experience; from Kensalfield, they enter the workforce with a love of learning and find roles with employers who are themselves champions of lifelong education.

So have we finally bought into the value of lifelong learning? Have today's managers grasped that they should constantly strive to attain the next level, and the next qualification?

The facts – and the experts – suggest that, if you and your team want to hit 'peak career', you need to keep on learning.





#### **Is retraining the way to fill skill gaps?**

A popular prediction – cited by education bloggers Scott McLeod and Karl Fisch – suggests that two-thirds of the children entering our primary schools today will eventually work in jobs that don't even exist yet. In these circumstances, simply reforming education systems isn't enough.

“It is simply not possible to weather the current technological revolution by waiting for the next generation's workforce to become better prepared,” warn the authors of the recent *Future of Jobs* report by the World Economic Forum (WEF). “Instead, it is critical that businesses take an active role in supporting their current workforces through retraining, that individuals take a proactive approach to their own lifelong learning, and that governments create the enabling environment – rapidly and creatively – to assist these efforts.”

#### **Does today's workforce require new skills?**

Almost half of UK organisations surveyed in the WEF report said that they were investing

in further education for their employees. The question remains as to whether that training and development is nurturing the skills that we'll actually need.

In a recent CMI/GoToMeeting webinar, the futurist Gihan Perera suggested that the 10 most important skills will be: cognitive load management, computational thinking, novel and adaptive thinking, transdisciplinarity, sense making, design mindset, social intelligence, new-media literacy, cross-cultural competency and virtual collaboration.

Whichever course or qualification you sign up to, interrogate whether you'll be acquiring the skills that will set you up for the future.

#### **Is it worth investing in older workers?**

All too often, workplace training and development spending is front-loaded and invested in an organisation's younger, rising stars.

But that runs counter to demographic trends. Workers classified as later-career workers – those over the age of 50 – currently comprise 20% of the





How important is it to your organisation to invest in older workers?

GETTY IMAGES

## All too often, workplace training and development spending is front-loaded and invested in an organisation's younger, rising stars

European workforce and will represent 30% by the end of the decade, according to research by Tara Fenwick, a professor at the University of Stirling.

A study of 2,000 employees and 250 employers by insurer Axa PPP in 2015 found that, in the previous six months, only 25% of workers over the age of 50 had been on a training course. Only 27% had had a meeting with their manager to set or review their objectives, and only 28% had had a conversation with their line manager about their career.

So, instead of pigeonholing older employees as set in their ways and worth training only as a last resort, or to meet inclusion targets, the best organisations see them as an important, growing asset.

### What if experienced managers resist training?

Researchers have found older workers to be 50% less likely to participate in occupational training and development than younger workers.\* But Russell Warhurst, a reader in human resource management at the University of Northumbria, says entrenched assumptions about later-career workers' lack of learning need to be challenged. ►

## WHAT THE LEADERS SAY

**Dilshad Sheikh CCMI, dean of the business school at University College Birmingham**



"My MSc in marketing management had the first big impact on my career – it gave me a competitive advantage when I was applying for a graduate position. The MSc was an extra piece of paper in my portfolio that I could pull out for application forms and in interviews. It helped me jump onto my management career, joining Sainsbury's as a graduate management trainee.

"My parents had a significant role to play in my next career move: your peers and those whose opinions you respect can often influence your decision to train and develop. My father pointed out that I wasn't using my academic base, and I began looking at teaching as a profession. Doing the Postgraduate Certificate of Education (PGCE) opened the door for me to join University College Birmingham (UCB) in 1999 and enter teaching.

"Much depends on your individual aims and objectives, and then looking around to see what academic or professional qualifications will allow you to be endorsed in that particular field. The PGCE gave me the credibility to enter the teaching profession and now I run a business school with more than 1,000 students.

"At UCB we make students aware of the need to self-develop and the value of professional qualifications. Last year I aligned the programmes

in the business school with CMI, so, when students receive their BA qualification, they automatically get CMI accreditation. It gives them a clear progression route when they leave UCB, and they can aim for CMI chartered status as their next step.

"I'm in the process of becoming a chartered manager with CMI myself. I feel I need that qualification as an endorsement to the outside world to say: 'Dilshad knows her stuff.'

"I'm a British Indian, and I think attitudes towards self-development and the motivation to self-develop are very different for those with a BME background. There can be a lot of pressure from parents, and traditionally a lot of learning gets squeezed in at the start. But I think we're beginning to see a different model and mindset about lifelong learning emerge among young people. There is a hunger in the students I see to learn and constantly push for more. And I think they will keep that appetite. With the introduction of tuition fees, they have become the customer. Their mindset today is: 'I'm buying that opportunity and I want to get out as much as I can.' They are starting as they mean to go on."

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Research suggests that later-career individuals prefer to identify themselves as experts rather than learners

## WHAT THE LEADERS SAY

**Simon Blake OBE**  
CCMI, CEO of the  
National Union  
of Students, and  
CMI Companion



"The world and how we understand people are changing all the time, and that requires you to have not only technical skills, but also the self-awareness and emotional intelligence to know yourself and relate to others. A really important part of any continuing professional development is understanding yourself as a resource and how to get the best out of yourself.

"There are often technical skills and knowledge you need to learn in order to be able to practically deliver the requirements of your job. I've done some of that learning through courses, but also through trusteeships, in areas that would be helpful to a current or future role.

"But, as I've become a more senior leader, responsible for more complex organisations, I've taken on some hefty leadership courses. A good leadership course gives you a chance to step back and reflect on

yourself and hear other people's experiences. I've just completed a 12-month, high-performance leadership programme at Cranfield University that's made a real difference in my new role at the National Union of Students.

"Doing the CMI Recognition of Prior Learning was a helpful way to consolidate my learning and think through my experience in a systematic way. I did it at a time when I was starting to look for jobs and it made me realise how much I had experienced in 10 years and how much I had to offer.

"There's still an issue within the charity sector of training and development being seen as optional rather than a necessity. But I would much rather have nine people who are well trained for their job than 10 who didn't get any training and support."



## Researchers have found older workers to be 50% less likely to participate in occupational training

His research among later-career managerial workers suggests that, although they may well have concerns about their employability and diminishing career prospects, many remain motivated by their work.

"Organisations are blinkered and living in the past if they see employees, managers included, over the age of 55 as in a state of terminal decline and to be managed out of the organisation," he argues.

"The return on investment in later-career managers is perceived to be low and individuals in this age group prefer to identify themselves as experts rather than learners. However, if attention is switched from

the provision of 'training and development' to creating or recognising 'opportunities for learning', then a different picture emerges, with later-career managers often learning a lot at work from naturally occurring sources of learning, such as new tasks, new challenges and managing younger staff. Informal learning from experience and from social interaction is likely to be commonplace for workers in managerial roles."

### Who really 'gets' training mature managers?

At IBM, every employee, regardless of age, is expected to complete at least 40 hours of training ▶

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every year, and demonstrating skills development is part of all annual appraisals. Training is online, and all programmes are accessible to everyone.

Nationwide Building Society's data showed that fewer older workers were being put forward for leadership programmes than might be expected. It responded by providing training on unconscious bias for all people managers and introducing self-nomination for its Future Leader Programme.

And Barclays has introduced a Return To Work programme to enable senior women to resume their careers after time away from the workplace.

#### **What role for government training incentives?**

For the necessary mind shift to occur, governments and businesses will need to collaborate more to ensure that individuals have the time, motivation and means to undertake retraining opportunities. For example, Denmark allocates funding for two weeks' certified skills training per year for adults.

Yet, important as it is that governments create the enabling environment, it is critical, too, that employers take an active role in supporting their current workforces through development and retraining, ensuring a healthy flow of talent at every level of the organisation.

#### **What about the stress of undertaking more training?**

According to research carried out in 2016,\*\* one in seven of the top jobs in UK hospitals is unfilled because middle managers, fearful of the increased pressure, refuse to take the step up. Yet a separate study, published in 2015 by Columbia University,

## **It is critical that employers take an active role in supporting their current workforces through development and retraining, ensuring a healthy flow of talent at every level of the organisation**

found that middle managers in all kinds of sectors experience nearly twice as much job-related anxiety and depression as executives at the top of the organisational hierarchy.

The right leadership and management training and development would go a long way to addressing both these issues, which are common in so many industries. And individuals must adopt a proactive approach to their own lifelong learning, and be willing and able to upskill and redesign their career to be fit for purpose at any given time.

#### **Does training itself need a rebrand?**

According to Warhurst, 'training and development' is the wrong way to conceptualise the problem. Offering more opportunities for learning, he suggests, is a better way to understand what should be done.

"Later-career managers should be encouraged to recognise the learning potential in their evolving tasks and responsibilities, and to be a role model to younger colleagues in terms of the need for continuous lifelong learning." □

**Ian Wylie** contributes to the *Financial Times* on management education and learning



## **WHAT THE LEADERS SAY**

### **Allison Page CCMi, partner at global law firm DLA Piper**

"What I do is challenging and interesting, running a big team as well as developing female talent inside and outside DLA Piper. I joined the firm when it was a well-regarded Yorkshire law firm and have been part of its incredible journey to becoming a global giant in just one generation.

"Throughout that time, constant change and development have been consistent themes. We are always changing as a business and we receive training all the time in the latest sets of must-haves – just last week we had training on flexible working and diversity. We are striving to be better in every aspect of what we do – not just in our delivery to clients (although we had training on that last week, too) but also looking at better ways of doing things internally.

"I've also been really lucky to go to Harvard University, with which DLA Piper has a relationship. Each year the firm sends 50 partners there for a week of management and leadership seminars and workshops. It's very hard work and makes



the day job look like a walk in the park (which it isn't). It's 8am to 10pm every day with work to do every night. It was shattering, but brilliant. I loved it and I've been able to extrapolate the principles I learned into practice with regards to how we retain and incentivise our staff, assess performance and grow our business.

"The firm also sends us on a course at the Møller Centre at Cambridge University that teaches you the different personality types and traits, and encourages you to reflect on the sort of person you are and how you interact with people.

"As I've got older, and wanted to take on roles outside and inside the firm, I've sought out other opportunities to learn. For example, when I was invited to take on my first non-exec role by the Leeds Teaching Hospitals NHS Trust, I undertook training for non-execs provided by the Institute of Directors.

"I'm interested in change, how we can do things differently and better, and how we develop the next generation of young lawyers and young businesswomen. That's what inspires me to seek out the skills, learning and development I need."

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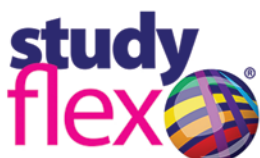


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# Death by distraction

Fatalities caused by drivers using mobile devices are on the rise. Employers should be very concerned, because the liability may soon fall on them

WORDS *Robin Brown*

RECENTLY I TOYED with the idea of making a phone call while at the wheel. No hands-free, no paired phone – just picking up the mobile, entering a number manually and conducting a conversation while driving my Honda saloon at 70mph. Dangerous? Yes, it's why I didn't do it – but also the reason I nearly did.

At the time, I was following a car down the M62 and watching it weave back and forth across the lanes. I could see the driver's silhouette and clearly make out that he had a phone pressed to the side of his head. So I considered calling the police and, in doing so, breaking the law and compromising my own attention.

In similar vein, a friend of mine described nearly being broadsided by a man using his phone. She was shaken by how the casual choice of a complete stranger had put her life – and that of her infant son in the back seat – in danger.

A series of cars I've reviewed recently have all featured touchscreen access. This has the positive effect of streamlining dashboards, but the downside that, without tactile feedback, it's impossible to gauge whether you've pressed the right button. I long for the return of physical knobs and rocker switches to the dash.

Cars seem to be actively trying to draw our attention away from the road. They have phones, music, satnav, climate control and even live television. One boss insisted to a former colleague that, as he was able to write communications, read emails and pore over spreadsheets while at the wheel, he didn't see any reason why his employees couldn't do the same.

The reasons should be obvious. Take a phone call and your risk of causing an accident increases by somewhere between 20 and 40%. The same goes for fumbling for a CD, taking a swig of coffee or changing the radio station.

And there is no meaningful improvement when you're using



In 2016, on the A34 in Berkshire, lorry driver Tomasz Kroker, caught on dash-cam, killed a mother and three children while distracted by his phone

hands-free kit or on-board telephony. Reaction times are slower, control diminished and braking exaggerated by sudden, panicked stabbing at the pedal.

Reaction times are 30% slower on hands-free than when driving at the legal alcohol limit; they're 50% slower than when driving under normal conditions. Sending a text makes you 23 times more likely to crash.

In the UK, road deaths have been falling for decades thanks to improved car safety and aggressive public campaigns. But in the US they're on the rise. The US National Safety Council says that 2015 and 2016 have seen road deaths increase, reversing a long-term trend. Younger drivers who use social media while at the wheel are partly to blame.

These are shocking numbers, yet all the time I see people talking on the phone while driving.

It's become normal to use the phone whenever we want, regardless of how

unwise or impolite it may be. As safety in cars has increased, we've partly limited those safety advances by taking more risks. The safer we feel, the more dangerous our driving becomes. While we transition to self-driving cars, this danger will become acute. Unfamiliarity with new technology, a heightened sense of false security and the demands of our personal communication devices will, as we move from one driving paradigm to another, pose complex questions.

The endless demands on our attention – from work and family and the very apps meant to make our lives easier – can give us the impression we have to be 'on' at every moment of the day. For some, it's a fatal misapprehension.

According to patents filed almost a decade ago, Apple has long been able to stop people using their phones while driving. That fact has resulted in a lawsuit in the US against the tech giant following a tragic accident caused by a driver checking her iPhone. Two people died and a child was paralysed.

Just who is responsible for a road death caused by a driver using a mobile phone at the wheel? It's a complex issue that, legally speaking, goes well beyond the person causing the accident. Tech giants might be in the sights, but so too might employers.

A company car is considered to be a place of work and an employer considered to be 'vicariously liable' for the acts of an employee. Should an employee cause injury or death by driving recklessly or at excessive speed, it is the driver's responsibility. But, if the employee was speeding to get to a meeting on time, both employer and employee could be prosecuted.

Reaching for a phone or using hands-free could be the last thing your employee ever does. But it may be just the start of your problems.

**Reaction times  
are 30% slower on  
hands-free than at  
the legal alcohol limit**

# FLEET INSPECTION

Some welcome reboots of familiar vehicles rev up the fleet sector

The Optima offers advances on its predecessor and Hyundai's i40



## Kia Optima

**Sector:** Large family car

**Price:** £21,495–£29,395

**Fuel:** 64.2–67.3mpg

**CO<sub>2</sub>:** 110–116g/km

**MOST CARS ARE** good for someone out there, although the first-generation Kia Optima tested my generosity. It was pricey, old-fashioned and poor to drive.

In a sector vacated by most volume manufacturers, it's surprising that the Optima still exists. That this new version improves significantly on its predecessor is welcome indeed.

The new Optima draws lessons from the i40 (built by sister company Hyundai), adding more power units and transmissions. A dual-clutch option is

a smooth choice for an autobox. The engine is a torquey but refined 139bhp, 1.7-litre diesel and the range of transmissions includes manual, automatic and a seven-speed, dual-clutch box.

The Optima is built from scratch for European markets and it shows. Although it's expensive at higher specifications – when the Optima squares off against Jaguar, there's only one winner – there is plenty of kit, including TomTom navigation, cruise control and a reversing camera as standard. There's also a high-quality interior to compete with the Germans, and lots of legroom and storage space to make the saloon and estate competitive with the increasingly popular crossovers. Overall, the Optima is a good-looking Kia that delivers on what it promises.

## Vauxhall Mokka







## Skoda Octavia

**Sector:** Small family car **Price:** £16,660–£27,790 **Fuel:** 43.5–88.3mpg **CO<sub>2</sub>:** 85–147g/km

WHEN PEOPLE ASK me what car they should buy, I always suggest the Octavia, which offers value, good engineering and an excellent range of VW-group engines and transmissions. An oddity in the car world – a hatchback with a boot – it sits in a segment of its own: easy to overlook but a no-brainer for many.

The interior isn't brilliant when compared to the VW Golf or Ford Focus but it offers more legroom and storage. Its pricing, space (up to 1,580 litres in the boot) and specifications make it competitive with plusher models.

In terms of engine, the 110bhp, 1.6-litre diesel Greenline with a six-

speed gearbox is an obvious choice, theoretically capable of 88mpg and 85g/km for BIK tax of 13%. There's also a 1.0-litre petrol model that offers good fuel economy with no noticeable trade-off in pulling power. The engines are fairly quiet and the Octavia's a great motorway cruiser.

There's the usual incomprehensible jumble of specifications and powertrain options – the Octavia hatch Greenline III offers a decent standard specification for £20,050, although satnav is only on the options list. It's a minor grumble considering everything you get: a big car for peanuts, and fewer visits to the petrol station.

**Sector:** Crossover SUV **Price:** £17,640–£26,815 **Fuel:** 41.5–68.9mpg **CO<sub>2</sub>:** 103–155g/km



THERE MAY STILL be uncertainty over Vauxhall's Ellesmere Port plant, where GM builds the evergreen Astra, but the car itself remains a bestseller.

The Vauxhall range has been enhanced by new crossover cars such as the Mokka, a B-segment SUV that accounts for almost one in five Vauxhall sales and is in this year's new-car top 10.

Three in five Mokkas are for the fleet sector, where it offers space, versatility and fuel economy. The Mokka's not much to look at, but Vauxhall knows what people want from their cars and meets those expectations.

Now rebranded as the Mokka X, the car is keenly priced – always important in the fleet sector. The turbo petrol engines are strong sellers, with the 140bhp, 1.4-litre model, available with manual or autobox, offering ample power. A meatier, 152bhp version with automatic transmission as standard is also available.

A 110bhp 1.6CDTi EcoFlex returns an official 72.4mpg and 103g/km of carbon dioxide for 20% BIK tax. The specification is high across all models, so there's plenty of kit for not a lot of money. Little wonder that Vauxhall remains a fleet stalwart.

## DAY OF BRECKONING

Theresa May's government seems likely to plump for a hard Brexit, meaning the UK will leave the single market in order to guarantee more controls over immigration.

Businesses are virtually united in opposing a hard Brexit because they know it will probably make trading with the EU – far and away the UK's largest economic partner – more expensive. A mere 3% of members of the SMMT (the automotive industry's UK trade body) were in favour of leaving the EU when surveyed in 2014.

And the automotive industry has signalled its feelings. Jaguar Land Rover, Britain's biggest exporter to China, has said that tariffs that hit British exports without single-market access would directly "damage business and British jobs" and be "frankly disastrous".

Nissan fired a warning shot that it may withdraw from the UK and close its Sunderland plant. It's staying now, and increasing investment. But be under no illusions: Nissan isn't staying without certain guarantees. Having seen that precedent, the rest of the automotive industry will be beating at the door of 10 Downing Street.

The automotive industry is instinctively internationalist. Without access to the single market and facing the prospect of higher costs, it may simply leave for the continent – unless it gets public subsidies.

Quite how the prime minister would spin the donation of billions to foreign-owned companies remains to be seen, but the alternative is a sector that accounts for 4% of GDP and 10% of the UK's trade in goods – and which provides around £5bn in added value to the economy, supporting around 800,000 jobs – leaving the UK.

As far as bewildered foreign car companies are concerned, the UK has voted to saw its own legs off. Much like the EU itself, the auto sector will drive a hard bargain with the government if faced with a hard Brexit.



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# masterclass

THE BEST MANAGEMENT INSIGHT, DIRECT FROM THE FRONTLINE

CONTRIBUTORS *Phil Jones, Rachel Sandby-Thomas, Adrian Furnham*

A man with short dark hair, wearing a blue blazer over a white shirt, sits in a red armchair. He is looking directly at the camera with a serious expression. His hands are clasped in his lap. The background consists of a brick wall on the left and a wooden wall on the right, with a framed picture of a cityscape hanging on the wood paneling.

**Phil Jones on...**  
correlative  
leadership

WE ARE SEEING a shift towards younger people becoming the power base within workplace culture. We are seeing far more people under 30 swelling the ranks of the middle. They want a completely different work experience than the generations before them, which is disrupting all elements of the way organisations work: structure, benefits, culture, onboarding, recruitment, retention... >

This is why a new style of leadership needs to emerge for businesses.

So how can you change the way you lead, and bolt new attributes onto your leadership style in order to be relevant in 2017?

I have come up with four components of what I call 'correlative leadership':

- physical leadership;
- emotional leadership;
- digital leadership; and
- spiritual leadership.

### Physical leadership

This pillar involves everything physical that affects leadership abilities: the design of your workplace, your own physical wellbeing, and even your understanding of neuroscience.

Neuroscience is a discipline that is becoming incredibly important for leaders in terms of understanding how we work. It is about being able to predict the way people might behave in certain situations, understanding 'groupthink' and knowing the role that hormones play in human behaviour. To be effective, a modern leader has to understand it.

### Emotional leadership

People have been talking about this for years, but I am still walking into workplaces where leaders lack emotional intelligence. Emotional leadership is something that people still haven't got their heads around.

Until I reached my 30s, I had never really opened up emotionally. The environment I was in was all about moving up the corporate ladder. But it's up to the individual to choose to develop their emotional intelligence.

With the help of a workplace psychologist, I made the choice to go down that road. It was the most powerful and impactful experience of my working life, but I would have found it very difficult had I not had someone helping me.

### Digital leadership

This pillar is about how leaders are using digital platforms, not only to connect and communicate with people inside and outside of the workplace, but also to attract talent. How you use external platforms as part of your overall corporate communications is now just as important as what you do with your internal communications.

So how you expand your social and digital footprint is now hugely important. At Brother, we learned this with apprentices. They research me as a leader to try to understand what sort of business we are. We've learned that parents are hugely influential in their children's choice of employer, based on the career they want them to have. Both the parents and the young person develop a sense of what it will be like to work for you based on the footprints you leave around the digital world.

That makes thought leadership even more important, not just in terms of building your company's brand, but also in terms of the way you appear to potential new recruits.

### Spiritual leadership

The final pillar in correlative leadership is the spiritual side. This is often hard to digest. People wonder what spirituality has to do with the workplace, but it is actually strongly linked to purpose and human performance.

Running Brother for some years, I've realised that you get to see every element of human life, including death and grieving.

In order to understand what people are going through, you need to have deep conversations. That is transcending into a whole new space for managers. People want to have more purposeful conversations to feel part of something bigger.

The more you pull everyone together so that they feel like a community rather than just an organisation, the stronger will be the bonds between them and their resilience.

## HOW I'VE CHANGED:

# Rachel Sandby-Thomas



### RACHEL SANDBY-THOMAS CB

CCMI started as the new registrar at the University of Warwick in September 2016. Before that, she worked as the shadow CEO at the Institute of Apprenticeships, and the director general for enterprise and skills and legal at the Department for Business, Innovation & Skills. Sandby-Thomas started her career as a lawyer.

"While my management style hasn't changed dramatically over my career, how I manage myself certainly has changed," she says. "I first started leading and managing when I was a deputy director and, at that stage, I was doing a lot of the work myself.

"I had clients who were demanding and didn't like receiving legal advice, so, when trying to establish credibility with them, I had to show that I knew what I was talking about.

"I then had a child, which taught me how to delegate. I thought I had delegated before, but having a child taught me how to do it properly, because I needed to get home from work on time in order to see my son before he went to bed.

"So I started thinking: 'Why am I doing this task? Because I can do this standing on my head. This would be a good learning experience for my team, because it will teach them something.'

"I now know the key to good delegation is all about trusting someone – you have to trust people to get on with the work. It is about somehow developing a sense or intuition about when you need to ask questions, and that can only come with experience."



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Masterclass with  
Moneysupermarket  
chairman Bruce  
Carnegie-Brown

1

FEBRUARY

CMI's president-elect, Bruce Carnegie-Brown, conducts a masterclass/Q&A for students, local firms and Kent Business School alumni. On the syllabus: the need for ethical management, and managing larger firms in difficult times.

**Kent Business School,  
Parkwood Road,  
Canterbury CT2 7PE**

Moneysupermarket  
boss Bruce  
Carnegie-Brown



Mentoring  
for success

9

FEBRUARY

CMI Mentoring is a service via which experienced managers share their experiences and so help others to develop their management skills. At this panel event, you'll learn about the benefits of mentoring and the importance of trust in business.

**Holiday Inn, Handy Cross,  
High Wycombe HP11 1TL**

Celebrating and  
promoting  
gender diversity  
in the workplace

10

MARCH

Speakers at this superb event, hosted by Charlotte Sweeney, include: Ann Francke, CMI CEO; Dr Ira Laketic-Ljubojevic; and Dr Mary Holmes (right).

**Queens Hotel, City Square,  
Leeds LS1 1PJ**



International  
Women's Day

14

MARCH

Dr Shaheena Janjuha-Jivraj talks about championing women leaders, and Jane Buxton discusses personal change and performance. The talks are followed by a sparky panel discussion on how best to enable women to thrive at work.

**CMI, 77 Kingsway,  
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# Orchestrating excellence

The Curtis Institute of Music is one of the best music conservatories in the world. Fiercely competitive, it offers free admissions only to the most gifted. This creates a remarkable performance-based culture

**ON THE CORNER** of a Philadelphia street on any given day, the hustle and bustle of modern life may be interrupted by the melodious strains of great music. The sounds of pianists, violists, cellists, trombonists and opera singers float through the air from a cluster of period buildings in the heart of the city. There are no ostentatious signs heralding what is within their walls. On the contrary, their understated facades belie the wonderment within. As you enter, you realise immediately that this is a very special place.

Throughout its 90-year history, the Curtis Institute of Music has remained true to the vision of its founder, Mary Louise Curtis Bok Zimbalist. Its mission is to “educate and train exceptionally gifted young musicians to engage a local and global community through the highest level of artistry”. Its free tuition policy is at the heart of its success: “The full, free, merit-based scholarship scheme fuels everything that happens here from a high-performance perspective. We accept students purely on artistic merit – you can’t buy your way into Curtis – and we are uncompromising on policy and principle,” says Elizabeth Warshawer, executive VP, COO and CFO of Curtis.

Getting into Curtis is a privilege. Every student recognises this. They take personal responsibility for maximising the opportunity. So students have a strong work ethic and the discipline to practise and self-learn. They encourage each other to excel. As a consequence, students at Curtis are ‘on’ all the time. It is not the sort of environment where they can coast. There is a lot of communication with the faculty about students and how they are getting on – especially in their early stages at Curtis. Staff will go through the full roster of

students and review their progress on an ongoing basis to ensure they receive the right level of support.

This might be expected to create a very intense competitive environment among students. But this isn’t the case. Very quickly the students realise that the biggest pressure they receive is from themselves and not their peers. They arrive having spent most of their lives to that point knowing they are exceptionally talented compared to their peer group and, in some cases, are surprised to learn that there are others just as good as they are. However, they quickly transition through this phase and embrace their new environment.

A critical philosophy at Curtis is ‘learn by doing’. Everyone we talk to cites this as one of the factors that sets Curtis

apart. All students are encouraged to perform frequently, and the typical student will perform countless times a year. The reason is simple, according to the school’s president, Roberto Díaz: “Our job is to make some of the world’s greatest performers, and artist citizens. We help our students to learn to cope with performance pressure by ensuring that they are constantly performing.”

When it comes to formal assessment, ultimately students are graded with respect to their potential and their accomplishment. The best are the ones who develop their talent to the maximum. Faculty members focus on cultivating the ability to self-teach. As Díaz says: “Our job is to teach them to be self-reliant, as this is key to being able to continually learn.”

*This is an edited extract from [Powerhouse: Insider Accounts into the World's Top High-Performance Organizations](#), by Brian MacNeice and James Bowen (Kogan Page, 2016)*







### Virtual Leadership: Practical Strategies for Getting the Best Out of Virtual Work and Virtual Teams

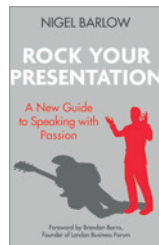
Penny Pullan  
Kogan Page  
£19.99  
★★★★

Many managers now work in a virtual environment, dealing with people they may hardly ever see, if at all. In this virtual world, it is difficult for the team leader to achieve everything expected of the team, as working across different time zones and cultures presents various challenges.

Penny Pullan's book takes the novice through many of the issues faced by virtual leaders, offering advice on how to cope in a business environment where people's actions may not be obviously visible. Issues of gaining and maintaining commitment to projects in this environment are dealt with in a clear, pragmatic manner, so the book's lessons can be applied in a practical setting.

Most managers will see their own experience of virtual working reflected in the examples given in the book, and will not be surprised that they are not alone in the problems they face.

DAVID STEPHENS



### Rock Your Presentation: A New Guide to Speaking with Passion

Nigel Barlow  
Piatkus  
£13.99  
★★★★

*Rock Your Presentation* is about presenting with passion. Nigel Barlow claims that following the advice in his book will make your presentations more engaging, passionate and memorable – claims that are fully justified.

Barlow sets out his approach to presenting using the musical world as a framework. He makes effective points by drawing lessons from exponents of rock, punk, jazz and classical music.

Barlow recommends incorporating a variety of elements to make your presentation sing. For instance, he explains how stories can make your content more illuminating. The book also provides advice on how to use visual aids effectively, and how to transmit your passion to your audience.

If you're a music enthusiast, don't fail to read this book. Even if you prefer silence, you'll find joy in this work. It's refreshing to read a book with such a novel and memorable take on a humdrum subject.

ANDREW MAY



### Managing in the Gray: 5 Timeless Questions for Resolving Your Toughest Problems at Work

Joseph L. Badaracco  
Harvard Business Review Press  
£28.00  
★★★

Joseph Badaracco's book provides a framework to help managers make decisions in grey areas – situations where there is no clear answer – using real-life examples to illustrate the principles of decision-making.

One of the book's strengths is its focus on practical advice. It contains useful information on how to resolve grey-area problems when numerous stakeholders are involved. Badaracco stresses the importance of making ethical decisions, an emphasis influenced by his position as professor of business ethics at Harvard Business School. The book adopts a humanistic approach, inviting managers to empathise with those who will be affected by grey-area decisions.

Badaracco's book will prove a useful and accessible read for managers at all levels, providing comprehensive advice on how to resolve all grey-area decisions.

BOB BAKER

## TRENDING

John Grisby's answer to the age-old question 'What makes a good leader?' has proved popular on CMI's Insights blog over the past quarter.

In his article, 'The 6 different mindsets of leadership', Grisby advocates the benefits of the evidence-based theory of Leadership Value Systems (LVS). This approach, applied throughout history, sees leaders adapt their practices to lead people effectively. While it sounds Darwinian, Grisby says that the best leaders apply LVS theory every day, instinctively knowing which leadership styles benefit their followers.

'Too generic and too infrequent' – in his well-received article '10 common problems with performance appraisals (and how to solve them)', Adrian Furnham argues that criticisms of performance appraisals are often unfair. Drawing from experience, Furnham rebuts specific objections to appraisals. He argues that the system can be beneficial as long as appraisals are properly introduced, and employees are aware of the standards they have to achieve.

Why do businesses fail prematurely? David Chancellor, in his popular article 'Four companies that failed spectacularly, and the lessons of their premature demise', argues that, unless companies embrace change and accept failures, they will be "swept away". From poorly managed growth at Compaq to the unsuccessful merger of Borders and Kmart, he analyses succinctly the reasons behind these businesses' failures.



# *“There’s no easy way to say this...”*

The clearest sign of a good manager may be their ability to have awkward conversations

WORDS *Adrian Furnham*



**ALL MANAGERS HAVE** to break bad news and deal with sensitive issues sometimes – whether it's redundancy, mergers, acquisitions, corporate change or failure to be promoted.

You may have to sack or counsel people, or deal with accidents. How about a body-odour problem? Or explaining at an annual appraisal why a colleague has such low ratings?

Having a difficult conversation is a skill. You can learn it. You can even Google it and rehearse the lines. So, for the BO problem, you could say: 'I think that, because of what I am going to say, in a short while both you and I will be upset. But, before I begin, it's important to say that the problem I'm going to deal with is easy to solve. Clair, I have noticed, as have those who work with you, that you often smell bad.'

Notice that you don't say 'stink' or beat around the bush by saying something like: 'I've noticed a subtle olfactory unpleasantness around you.' After you've said 'smell bad' or 'unpleasant', wait and say nothing. Expect tears or anger – probably both.

Nobody likes having this sort of conversation, but they're essential. To hide behind caring-sounding emails or 'sincere' videos simply won't do. This is, of necessity, a face-to-face business. Doing it well takes practice.

Holding an awkward conversation is neither counter-intuitive nor rocket science. But it takes emotional intelligence. You have to prepare and read the cues.

The first set of decisions to be made is how to give the news, to whom and where. Ideally, you'll do it in private and in 'persona', but which is the best persona? And don't farm the business out to a supportive and empathic subordinate. It is an important issue. Some people have the power, authority and responsibility to give the news and do the talking.

How many people should be on the giving side and how many on the receiving? Sometimes people will feel better if they can bring a friend or supporter. But one on one is usually best.

Managers need to prepare the phrasing of the crucial bits of the message. You need to mentally rehearse them. Again, resist the temptation to be vague and pusillanimous.

It's usually not a good idea to engage in too many pleasantries at the beginning. After a quick start, when it is clear that you are trying to

communicate clearly, compassionately and confidentially, it is wise to find out where the employee is coming from. Few people are entirely unaware of serious organisational issues around them. Many have suspicions about what is going to occur.

Remember: discussing sensitive issues is as much about careful listening as careful talking. It is best to find out early what the person knows and what they want to know. Then tell them clearly the central message: 'We are making your position redundant', 'Your promotion application has been unsuccessful' or 'You failed the assessment centre'. Don't use euphemisms like 'gardening leave', 'letting go', 'outplacement counselling' or 'consensual exiting', which may not be understood as clearly as 'Your role is being made redundant'.

## Be prepared for an emotional display. Responses may range from anxiety and anger to relief

### The aftermath

Then be prepared for an emotional display. Allow the message to sink in. In short, shut up. A variety of responses may occur, from anxiety and anger to relief at finally being told what has long been suspected. The usual pattern is stunned silence, then tears, then anger and then bargaining. The stoical and repressed may do or say nothing, bottling up their outbursts for a private moment.

Anger is common. 'Why me?' 'It's so unfair.' 'You and your company are a bunch of \*\*\*\*\*' 'I will consult my lawyer/union/journalist friends.' It's easy to

react to this by being combative. Resist this temptation and remember that these reactions are a natural response to being hurt, frustrated or surprised.

Let the cloud burst. Go at their pace. Let them describe their feelings fully. Lance the boil (better now than later). The hard bit is remaining empathic, patient and understanding. It is this bit that people don't like. Yet it may be the most important part of the whole thing.

It is terribly important to establish what the recipient has heard. With very emotional people, it's not always easy to find out. Have they heard the message clearly? Do they fully understand what you are saying? Do they understand the implications?

They may have questions. These need to be anticipated. It might indeed be a good idea to prepare a short handout, with typical questions and clear responses. Old hands at the business will be well versed in anticipating and answering all the questions, however trivial and daft they at first appear to be.

It's best to end by checking the person's understanding. Perhaps ask them to summarise the main points of the news, as well as, if they want to, their reaction. This offers an opportunity to correct misunderstandings that can easily occur amid all the emotions.

A few more things. Arrange for a follow-up meeting to recap. And take care of your own needs. Don't do these meetings back to back. Giving bad news and discussing sensitive issues can be emotionally tiring.

Finally, remember that these discussions become less difficult with practice and experience.

Adrian Furnham is a business psychologist and the author of 80 books and 1,000 scientific papers. He is an adjunct professor at the BI Norwegian Business School

## BREAKING BAD NEWS: 11 TIPS

1. Prepare for the meeting and choose the right person to break the news
2. One to one is best
3. Ditch the pleasantries and get to the point
4. Don't use euphemistic words, but do be gentle
5. Shut up and allow the message to sink in
6. Listen
7. Allow the recipient to vent their feelings
8. Anticipate questions; maybe prepare a handout
9. Check that what you've said has been understood
10. Arrange a follow-up meeting
11. Don't do bad-news meetings back to back



# The curse of size

Big mergers are often merely an investment in political power and influence

WORDS *Simon Caulkin*

**THE WORLD IS** being swept by a tsunami of consolidation.

In September, AB InBev won approval for a \$100bn-plus takeover of rival SABMiller, creating a brewing giant with a commanding 27% of global beer sales (and nearly half of the profits).

Chemicals firm Bayer is bidding \$66bn for seeds company Monsanto in a deal that would net the combined group a quarter of the world market for agricultural seeds and pesticides.

Telecoms titan AT&T is angling to buy Time Warner in another mega-deal, worth \$109bn. The combined phones-and-media colossus would become the third-largest US firm by profits.

Two-thirds of US industry sectors have become more concentrated in the past 20 years – nowhere more obviously than the web, where the domination of GAFA (Google, Apple, Facebook and Amazon) is near total. Between them, Google and Facebook mopped up 75% of all new online advertising in a year and, if anything, that percentage is increasing.

The winner-takes-all economy that's emerged online – the opposite of the promised democratic free-for-all – is ominous. Globalisation as the freer circulation of people, goods and capital – yes. Globalisation as monopolisation of industries by a few global behemoths, blunting competition and reducing corporate biodiversity – a firm 'no'.

Notoriously, extra bulk doesn't usually benefit acquirers. Beyond a certain point, big becomes too big.

Economies of scale, like synergies, are discussed but rarely seen. There are no economies of scale in managing people – rather the reverse. The collapsing

banks were uniquely dangerous for their systemic effects, but the often overlooked lesson is that they were too big to manage, as well as to regulate and fail.

The same goes for some of the giants of the productive economy, which employ the same dodgy financialised management model that the banks blew themselves up with in 2008.

Whereas the banks (which should have emphasised caution) recklessly overlent and overleveraged, big non-financial companies (which should be focused on innovation and investment) have become anti-capitalists. Sitting on cash mountains of perhaps \$3tn, US and UK firms are on investment strike, bent on retiring capital for the benefit of their families and shareholders rather than deploying it to create jobs and markets. Public corporations on both sides of the Atlantic are older, fewer, bigger and less dynamic.

If size is such a dubious blessing, why do CEOs and boards pursue it? There is one arena where bigging up translates directly into added clout, and that is in the interaction of big business and politics. Put bluntly, large-scale mergers are an investment in political influence.

Under international trade treaties, corporations can and do sue governments for actions that damage profitability. CEOs hobnob with politicians rather than customers. Lobbyists throng the corridors of Washington, Brussels and London. Antitrust authorities do nothing to correct the balance, taking a narrow economic view of choice and competition, and ignoring politics.

The populists are right that economic and political systems have long put the interests of the big, the faceless and the

global over those of ordinary citizens (albeit wrong with their prescriptions). Perhaps we should heed the words of John Maynard Keynes: "I sympathise with those who would minimise, rather than those who would maximise, economic entanglements among nations. Ideas, knowledge, science, hospitality, travel – these are things that of their nature should be international. But let goods be homespun wherever it is reasonable and conveniently possible and, above all, let finance be primarily national."

*Are corporations becoming too old, too few and too big?*  
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