



Evaluation of Leadership Programmes

Report for

Scottish Enterprise Lanarkshire





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Executive summary

SEL have recognised that macroeconomic factors such as increasing global connectivity, advancements in technology including e-business and increasing competitive pressures have made it imperative that businesses address the quality of their management and leadership. Lanarkshire's leaders need to ensure that maximum effort and productivity is gained from all resources.

The SEL Leadership Development programmes are focussed on developing leaders to be successful in the current and future business climate and contribute to the SE Strategic Objective of creating growing businesses with an innovative and far sighted culture. They also directly meets the aspirations contained within A Smart Successful Scotland by directly supporting the drive to create "stronger management and leadership capabilities able to rise to the challenges of rapid change".

The original market failure of information deficiency and risk aversion has been addressed but not yet adjusted on a significant enough basis in Lanarkshire. Many businesses have heard of, or have been approached, about the programmes but they remain unsure or unconvinced of the benefits and unwilling to participate. This supports the original assertion that a medium to long term approach and commitment would be necessary. The importance of leadership appears to be generally accepted but the willingness to tackle the issue remains a low priority amongst Lanarkshire businesses.

It is highly unlikely that Lanarkshire businesses would have participated on the programmes without being directly informed by SEL staff and receiving funding support from SEL.

Both programmes have received significant praise from participants. High levels of personal development and measurable changes in business performance have taken place. Participation has directly helped the companies move towards the standards expected of 'growing businesses' – as defined by the SE criteria. The highest impacts overall were clearly in change in leadership style, as would be expected. Other areas where significant change had occurred (in at least 83% of cases) were in:

- commitment to continuous improvement
- developing the skills and knowledge of the workforce
- conscious promotion of innovation and capitalisation on new ideas
- explicit long term and strategic planning within the firm.

A disappointing feature was the relatively low level of companies (under one half) that now thought globally in terms of trading and acquiring knowledge.



Regarding economic impacts, the programmes were developed to bring about attitudinal and behavioural change in senior managers, and with a focus on the practical application of learning in the workplace. Some major effects will not emerge in the short term but even taking this into account, measurable impacts have been achieved and more are forecast as follows:

- nearly 140 jobs have been created in Lanarkshire as a result of the intervention with nearly £11m in gross sales. Taking economic multipliers into account would still leave 95 jobs and almost £6m in sales that would not have occurred without these programmes.
- over the next four years nearly 500 jobs are forecast to be created in Lanarkshire and an increase in net turnover of £26m is expected.

The high cost of the programmes was commented upon regularly by companies and other LECs, but in economic development terms the cost per job created represents good cost effectiveness in comparison to other interventions.

There was a mixed response from other LECs regarding their adoption of a similar approach to SEL. The programme cost was most often cited as the major inhibitor. There was however a broad interest in the programmes, the results achieved and the way they were linked as a holistic approach to supporting businesses. There was enough interest generated to consider some form of joined-up approach in the future.

The main recommendations coming out of the evaluation include:

- SEL to continue to support Lanarkshire businesses to access these two leadership programmes that have delivered very good results
- the target market should now be expanded from account managed companies to also include selected “medium impact” companies
- SEL should investigate whether an additional Senior Managers leadership programme could be developed to work directly with the emerging executives programme and be marketed as a “whole company” leadership development package. It is intended that this would be an addition to the portfolio and not a replacement for the MSc.
- the marketing approach should be reviewed and the benefits achieved by companies to date used to promote the programmes

SEL should now ensure that the contracts they have with companies they are supporting puts the onus on companies to ensure they receive the level of service they should from the provider.



1 Introduction

Scottish Enterprise Lanarkshire (SEL) has supported two leadership development programmes over the period 2000 – 2003. It now wishes to have these programmes evaluated to ensure they meet with the wider SEL and Network strategy, as well as delivering value for money, process efficiency and economic development impacts.

1.1 Background

It is now well accepted that an organisation's leadership capability has more influence on its potential for success at all levels than just its management capability. Effective leadership harnesses and directs the skills, energies and efforts of its people to often achieve extraordinary success.

1.1.1 Fit of Programme rationale with SE/SEL policies

The market failure in take up of leadership development involves information deficiency and risk aversion. Although this was widely seen as a need, businesses have been unprepared to invest time and money on leadership.

Having established the programmes during the last two years, it is important to determine the effect that this has had on the original market failure and whether there is still a requirement to support the programmes.

Both programmes contribute to the SE and SEL strategic objectives of creating and supporting businesses with innovative and far-sighted cultures. By supporting the development of leadership capability in Lanarkshire, the programmes are enabling significant positive change to be driven through companies in the area.

1.1.2 Corporate Leadership MSc

The concept of a corporate leadership MSc has been in place since the early 90's, when it was delivered through the Business School of Ulster University. In 1998, it was developed as an independent, private sector programme with its accreditation coming from Napier University. It is now a joint venture between Edge, Napier University, Goizueta Business School, Emory University and Iacocca Institute at Lehigh University.

Edge Innovative Learning International (Edge) is an international organisation specialising in the design, management and delivery of innovative learning and development programmes. Napier University, a Scottish based university, works in partnerships throughout all sectors of industry. In conjunction with Edge, they developed an integrated suite of programmes for the MSc. The Iacocca Institute at Lehigh University, based in Pennsylvania, is world renowned for its work on agile business relationships and 21st Century manufacturing enterprise strategies. The Roberto C Goizueta Business School, Emory University, based in Atlanta, is one of the highly ranked US business schools, providing World-Class business learning and has good links with Coca-Cola.



One of the key features of the MSc is the delivery mechanism, which is principally through a virtual faculty. The academic content is assured by the delivery group, Edge, and validated through targets and assessments by the university. The university assures the rigour of the process and the private sector delivery group ensure that it is flexible enough to meet the needs and wishes of the participants.

The MSc is a two-year learning journey and consists of seminars focusing on the following areas:

- Leadership in Context
- Leadership Future and Change
- Personal Leadership Assessment
- Personal Leadership Feedback
- Leadership and Corporate Finance
- Leading in 21st Century (USA)
- World Class Performance (USA)
- World Class Leadership in Practice (USA)
- High Performance Teams (USA)
- Leadership, the Brand and a Cultural Perspective
- International World Class Leadership in Practice
- Corporate Leadership in Action
- Project Planning Workshop
- Corporate Implementation Project Workshop

The programme is assessed on a series of company-based assignments and a work-based dissertation.

The programme is run annually with between 18-25 participants per cohort, drawn from businesses anywhere in the UK and Ireland. Since 2000, SEL has supported 23 business leaders from Lanarkshire to participate in the programme. The Lanarkshire representation on the cohorts supported was the following, with details in Appendix 3:

2001: 11
2002: 6
2003: 6

1.1.3 Emerging Executives Programme

The demand for the Emerging Executives programme came from four leaders in the first cohort of the MSc in Leadership (SEL subsidised participants). One of the concerns of a number of the Chief Executives and Managing Directors on that course was that they would find it difficult to drive change through their companies if they did not have like-minded support from their management teams. In addition to this it was felt that the importance of the second tier of management in companies was too often ignored or undervalued – particularly in terms of leadership capability. To counter this they worked with the course leaders to develop a programme to complement their learning on the MSc.



The Emerging Executives programme is delivered by Ritchie Cairns Associates, a team of renowned executive development specialists. It is led by Professor Niall Cairns, who has also been intimately involved in the design and delivery of the MSc.

The course was designed to quickly give participants a taste of the MSc in Leadership that would inform and inspire, but would not lead to time difficulties in meeting ongoing business needs. It is a one-year programme and consists of a mix of residential workshops, in-house project work and Best Practice visits.

The programme involves the following themes:

- 21st Century leadership
- executive leadership and personal development
- commercial and market awareness
- developing corporate agility
- economic trends and opportunities
- leadership behaviours and high achievement
- successful team leadership
- strategic agility
- high performance project teams
- delivering the promise

The first Emerging Executives programme ran from May 2002 to July 2003 and 19 participants were recruited on to it. The influence and demand from business was clear since 16 participants came from companies where their manager had previously attended the MSc in Leadership. This strong confirmation of demand for the programme will be a key component in any further promotion of the Emerging Executives programme. Details of participants on the programme are in Appendix 4.

1.2 Study Objectives

The detailed objectives of the evaluation include:

- evaluation of the provision of leadership development services, i.e. MSc in Corporate Leadership and Emerging Executives Programme, for the period 2000 to 2003
- assessment of the fit of the project rationale, aims and objectives with SE Network and SEL strategy
- assessment of the market failure rationale of the project
- confirmation of all aspects of contract compliance, including:
 - financial and performance monitoring requirements
 - provision of an appropriate range of services and facilities
 - compliance with specified service levels

- evaluation of the efficiency and effectiveness of the processes adopted by the service providers, with regard to:
 - provision of resources and services
 - service quality
 - customer satisfaction
 - integration with other SEL company support activities
- evaluation of the economic development performance of the services delivered by the service providers, including:
 - service outputs as against performance targets
 - market penetration
 - gross outcomes generated by clients
 - net additional outcomes
 - displacement impacts of assistance
 - supplier linkage and multiplier affects of assistance
 - cost benefit ratios
 - total costs per total gross and total additional new jobs generated
- strategic thinking of the participating companies in relation to:
 - skills and learning
 - international activities
 - research and development
- determining the scope and potential for widening course access for a broader range of Lanarkshire companies
- establishing the scope for involving other LECs in the project

1.3 Methodology

As this evaluation was undertaken at various stages of delivery of the programmes, it was agreed that the information providing the greatest value would be best captured by undertaking an evaluation that focused on both the qualitative and quantitative feedback and outputs. Traditional evaluation tends not to focus on the qualitative process elements of 'how and why' a project has worked; it purely delivers 'the what'. The value in this work lies in understanding both the strengths and weaknesses of the process that delivered the results, and capturing that learning in ways that can add value. This is particularly true of the principal element of this work, which was to identify and evaluate the added value benefits of undertaking high-level leadership development programmes.

The approach taken to meet the objectives of the project was designed to assess and determine:

- the processes involved in the programmes' delivery
- the market failure rationale and how it was applied to participating companies
- the 'fit' of the programmes with SEL's and the Network's strategy
- quality of project management in all aspects of the project delivery
- economic development performance of the programmes
- impact on participants and their companies
- opportunities for widening access of the programmes to a broader range of companies

The evaluation methodology involved:

1.3.1 Desk review

A desk review was undertaken to establish the strategic rationale behind SEL's decision to commit funding to support participants undertaking the MSc in Leadership or the Emerging Executive programme. The documents examined included:

- Project Approval Paper
- marketing material for the programmes

1.3.2 Provider interviews

Interviews were conducted with relevant staff from the three providers involved with delivering the programmes: Innovative Learning International Ltd (Edge), Napier University and with Ritchie Cairns Associates. The people interviewed were:

Dr Philip Bryans	-	Napier University
Dr Dennis Higgins	-	Edge
Professor Niall Cairns & John Ritchie	-	Ritchie Cairns Associates

Details of these interviews are contained in section 5 of this document.

1.3.3 Participant interviews

A total of thirty face-to-face interviews and one telephone interview were conducted with participants of both programmes, representing 70% of those supported by SEL. The breakdown was seventeen interviews out of a possible twenty-three from the MSc in Leadership and thirteen out of a possible nineteen from the Emerging Executives Programme. Details of the MSc interviews are in Appendix 1 and those of Emerging Executives are in Appendix 2. Details of the interview process are provided in Appendix 7.

1.3.4 Demand assessment

To assess wider demand for the programmes a focus group was held for senior managers from companies not currently targeted, primarily from SEL's client-managed database, that SEL believed had many of the ingredients required to make an impact in the future. The demand for leadership development in general was explored and also issues surrounding widening the access to the specific programmes under evaluation. The companies that attended the focus group were asked about the programmes relevance to them and their own company, to assist a more accurate assessment of genuine demand.

1.3.5



Market failure assessment

A telephone survey was undertaken with senior managers from SEL account managed companies not previously involved in the programmes. The original market failure surrounded entrenched attitudes to management and leadership development and the evaluation sought to measure what change there was in such attitudes and therefore measure future demand for these and similar programmes.

1.3.6 Wider network involvement

A telephone survey was undertaken with the most relevant person in each LEC to ascertain any leadership development provision that is provided. Since each LEC has different structures, priorities and key personnel the contacts included HR specialists, Growing Businesses managers and Leadership specialists. These included:

LEC	Contact	LEC	Contact
Ayrshire	Jim Glover / Liz Napier	Tayside	Ian Munro
Dumfries & Galloway	Ros Allen	SEEL	Margaret Legget
Dumbarton	Mags Leatham	Fife	Kari Whiteford
Glasgow	Denise Kerrins	Forth Valley	Lillian Hamilton/Alan Addison
Renfrewshire	Bill Stockdale	Grampian	Lynsey Adam

LEC contacts were contacted to seek views on whether their plans for future provision would include some interest in reserving places on the SEL leadership development programmes.

1.3.7 Future options development

On presentation of the draft report, a workshop was conducted by Frontline with relevant staff of SEL. The workshop considered the interim findings from the evaluation and contributed to development of future options for SEL in supporting leadership development.



1.4 Structure of Document

The findings from this exercise are designed to relate to the main objectives of the evaluation:

- Provision of services
- Strategic Fit and Market Failure
- Contract Compliance
- Management Processes
- Economic Development Performance
- Other Issues:
 - Strategic Influence
 - Course Structure
 - Role of other LECs
- Options Appraisal
- Conclusions and Recommendations



2 Provision of Leadership Development Services

2.1 MSc

Overall there has been a very positive response to participation in the programme. All attendees have been able to talk about the benefits derived from it and relate them back to their business.

While recognised as a relatively costly development exercise, the quality of speakers, topics and delivery format have been well appreciated. Most commented that the intense one or two week periods were easier to accommodate than the prolonged and ongoing activities of the usual MBA.

One of the 'unique selling points' about the programme was the involvement of Professor Niall Cairns. Throughout the interviews, his involvement and contribution was highlighted as the big success factor of the programme.

The programme has been highly effective in forming a strong bond between the participants and they still meet regularly on a quasi-social footing. They all commented on the real benefits they feel from having peers who they trust and with whom they can discuss issues about their business and people.

2.2 Emerging Execs

The aspects of the emerging executives programme that were most appreciated by participants included:

- having the opportunity to discuss issues with people who were facing similar work problems and in an environment that encouraged supporting each other with creative suggestions and solutions
- having other colleagues from the same company on the programme with them. The comment was made in one case they went as individuals but came back a team as they worked jointly on a work-based project that they continued to work on, gained board approval for and implemented in the company
- the delivery consultants and the methods that they used were widely praised, particularly Professor Cairns and to a lesser extent John Ritchie. As highlighted earlier, the ability to use anecdotes borne of experience gave great credibility as well as being of great interest and practical relevance. Also recognised and appreciated was the attention given to people's different preferred learning styles
- the processes, tools and techniques that they were introduced to were of great benefit and easily transferable for use in their companies - such as open book management, motivational techniques and winning business tools



The aspects of the programme where participants felt improvements could be made were:

- more of the programme should be delivered in a residential setting as some of the best learning occurred when participants were in a relaxed setting discussing the inputs they had received that day, and how it could be transferred back into the workplace
- a number of participants commented that the finance module was too detailed. The comment was made that if they wanted that level of detail they would have gone for an MBA

3 Strategic Fit and Market Failure

SEL over the last 2-3 years has supported two leadership development programmes, aimed at individuals who are working in SEL's pool of account managed companies (150 Lanarkshire companies as of October 2003). These are growing business companies with a significant potential to grow and contribute to the local economy. Participants were invited from:

- chief executives or managing directors working for companies in the pool of account managed companies
- emerging senior managers working for companies in the pool of account managed companies

3.1 Strategic fit

The MSc and Emerging Execs programmes are set within the context of the Scottish Executive's Smart Successful Scotland strategy and Scottish Enterprise's strategy to identify and increase the number of businesses within Scotland that display high growth. Many macro-economic factors have made it imperative that companies address the issue of the quality of their leaders and managers. Organisations need to be flexible, responsive and customer focused and the ability to acquire these characteristics depends on the quality of their leaders and managers.

The MSc and Emerging Execs programmes contribute to the SE Strategic objectives of creating growing businesses with an innovative and far sighted culture. The programmes support projects and activities that enable local business leaders to gain and consolidate new leadership attributes. The programmes address the interpersonal skill, behavioural and knowledge development with approaches that encourage bringing them into their business and self reflection.

There is anecdotal evidence to suggest that the predominant leadership style of leaders in Lanarkshire businesses is one of command and control. It is important that this is changed to one of teamwork and coaching so that the thinking and skills are cascaded through organisations enabling them to become more flexible and responsive to market changes. Until the launch of these programmes, there had been a low adoption of these models and few organisations that could be promoted as exemplar companies.

There is now a body of business leaders in Lanarkshire who can talk positively about the benefits of this new model of leadership.

3.2 Market Failure

A focus group workshop was run with senior managers from a range of companies that are not currently targeted by these projects, ie, selected medium impact companies and companies that have a potential for high impact in future years. The original target was to attract between 5-10 companies. In total three managers attended the workshop and provided valuable feedback and information.

The key points taken from the workshop included:

- there is a recognised need for leadership training, but demand is low and it remains a very difficult sale. Comments were made that Scots can be very entrepreneurial but as a rule there is poor leadership overall.
- any leadership development must be marketed and sold in innovative and varied ways
- it should be differentiated from management development and sold on the basis of bottom line impact
- it should be packaged in bite sized chunks

The significant reasons for not participating in leadership programmes included:

- some managers and owners would feel that they knew enough to run their own business and did not need leadership development support
- not enough time
- the fear factor. Not wanting to be exposed on a programme with people from big companies
- fear of failure – not achieving the award
- for some, not having managers above them with enough vision to recognise the need to develop themselves or their staff
- the best way to find out about programmes like these is through networking and networking events – but this is not well done and there are not enough events
- account managers and business development staff do not know their client companies well enough to recommend the right programme at the right time
- the cost of the programmes might be a disincentive – but more likely to be used as an excuse for people with no intention of participating
- the programmes do not offer a “quick fix”
- going on a leadership programme could be viewed as an admission of failure

There appeared to be some confusion in the group about the difference between leadership and management and this is fuelled by the difficulty in finding out what is available. The MBA was described by the group as an academic qualification aimed at larger companies and career progression, with limited relevance to smaller companies.

It was felt that the type of programme that would be considered most useful to small, growing businesses should include:

- a 1-year programme would be better as it would be shorter and sharper and small businesses would not feel such a weight of commitment
- a 2-day taster would be useful
- location is important; a local programme would be beneficial

Further discussion around this threw up the view that the emerging exec programme would be of greater benefit if it could form year 1 of the MSc. This way people would be more likely to commit with the option of completing the MSc at a later stage. A further view was to modularise the entire programme to enable the selection of short programmes.

However, when discussing the key leadership activities for Scottish businesses and requirements of any leadership programme, the points raised fit well with the existing programmes:

- vision and getting buy-in from staff to that vision
- the ability to motivate and inspire staff
- the ability to instil enthusiasm in the workforce
- personal and business development
- the desire to take the business to the next level.

When discussing the methods that should be used to promote and market this type of programme to them, the following were suggested:

- face-to-face approach
- past participants would be the most influential and believable to prospective businesses
- examples of bottom line impact should be used to highlight the business benefits
- events followed by small networking groups should be used to enable business to business promotion of the programmes

Additional ideas and views that were put forward during the workshop included:

- two of the participants had turned down approaches to enrol on a programme. Both said that it was because they felt their business was in need of surgery before they would be ready to take it to the next level. An idea was to support businesses to get in shape in readiness for “a big push” from the top. An added comment was that it would be difficult to spend that amount of money on “himself” when it could buy so much training for many other staff
- incentivise graduates from the programmes to promote the benefits that they have had from being on the programmes. (Spend a day promoting the programmes, get a free day’s consultancy)
- as mentioned earlier, modularise the programme and have the emerging exec programme as year 1 of the MSc
- to promote the programmes, use events where good speakers have been attracted and large audiences are expected (Gio Benedetti & Stelios were mentioned) and arrange networking dinners for small groups to meet immediately following these. Former participants could be used to promote the programmes – amongst other things - at a time that people would be at their most motivated

3.2.1 Market failure telephone interviews

A telephone survey was undertaken with senior managers from SEL account managed companies not previously involved in the programmes. The original market failure surrounded entrenched attitudes to management and leadership development and the evaluation sought to measure what change there was in such attitudes and therefore measure future demand for these and similar programmes.

It was felt important that the feedback to date was balanced with views of leaders who had not taken up the opportunity for leadership development. A range of companies were identified from those:

- that had been approached and rejected the opportunity
- that have not been involved in the programmes

Telephone interview pro-formas were developed to ensure consistency during the telephone interviews. Over 100 companies were telephoned, however only a limited few (8) participated in the telephone interviews. Whilst it can be assumed from this that there is a general lack of interest in leadership development, it must also be recognised that this leaves the study with limited data on which to draw robust conclusions regarding market failure. Details of the telephone interviews are provided in Appendix 5.

3.3 Summary

Although limited in number, the interviews and conversations with Lanarkshire companies and LEC staff highlighted the fact that the original market failure of information deficiency and risk aversion remained. Businesses accept the



merits of leadership development and some expressed interest – but there remains a low commitment to participation in self-help activity.

Leadership development remains a key economic issue, as recognised in A Smart Successful Scotland, which recommends the creation of “stronger management and leadership capabilities able to rise to the challenges of rapid change.” Entrenched attitudes are being challenged by the SEL approach and a long term approach remains necessary to tackling this critical business issue.



4 Contract compliance

There was no direct contract between SEL and the delivery agents, rather SEL provided support to individual companies that contracted directly with Edge or Ritchie Cairns Associates. Once the delivery agents provided satisfactory evidence to SEL that payment had been received from the SEL supported companies, then SEL released their support payments to the companies.

Whilst SEL have a very strong interest in all aspects of the programmes, the onus should be very much on the participants and their company to ensure that they get full value for money. From our interviews it was doubtful that this was happening and there is scope for SEL to ensure that the money they invest in companies is subject to a more robust contract between themselves and the company. This would confirm that SEL were supportive of the company but did not accept responsibility for the performance of a third party that the company invested in.

If SEL were to contract directly with the providers they would have to monitor the programme and also placate participants if the 'SEL programme' was not performing well. This would not be a productive situation and should be avoided.

5 Management processes

The providers of each of the two programmes were interviewed to assess their view of the programmes and their opinion on the overall effectiveness in terms of delivery and operation of each.

5.1 MSc in Corporate Leadership

The programme is based on action learning that ensures the new knowledge and skills are transferred back into the leader's business.

Edge

Edge, the providers, have been working with the programme for more than 5 years. They work with SEL by using the list of account-managed companies to approach the companies and recruit leaders. From recruitment onwards their role is to manage the content, administration and logistics of the programme. There is little ongoing involvement with SEL; however they do send copies of any evaluations (mostly basic 'happy sheets') completed by participants at the end of modules to SEL.

Edge keeps in regular contact with the participants and before each seminar send out to them a pack that contains information on pre-reading, logistics and support material.

They believe the programme is successful in:

- developing self-awareness and understanding the importance of it
- de-mystifying strategy
- developing ownership and responsibility as leaders

However, there have been some cohorts where there appeared to be a lack of 'buy-in' to the process and consequently individuals failed to achieve their MSc within the programme time-frame. (Participants do however have an additional 2 years from the end of the programme to complete the MSc and Edge are currently supporting some participants in doing this).

Edge recognise that on occasions the administration has not been as effective as required, however they believe this is now improving. There have been occasions when participants have required more support than Edge expected to have to provide.

Since SEL became involved in supporting participants enter the programme, a total of 23 participants have joined from Lanarkshire and Edge estimates that 20 of these (83%) have been supported by SEL. (As Edge do not have any direct contract with SEL, they have no mechanism to confirm who has received any type of support).

Because of the contractual arrangements that exist, Edge are unaware of any subsidies that non-SEL-supported participants might be given to attend the programme. Edge understands that some of the Northern Ireland participants would most likely be eligible for Local Development Authority support at between 30-50%.

Napier University

Napier work in partnership with Edge to ensure that the programme meets the stringent quality standards. They see this as a strong partnership and recognise the strengths that Edge are able to bring to the delivery of such a programme. This strong partnership has enabled any “academic issues” arising out of the action-learning format to be solved quickly and amicably.

Napier have had limited input in delivery although they do now have modular control over the seminar series on personal and organisational development and on the dissertation. This means they now deliver the Personal Development and Organisational Development elements and give direct support to students with their dissertation to meet academic requirements. Working with Edge, Napier have also helped to introduce a reflective log for learning that enables students to focus on what they have been doing and extract more easily the learning that has been achieved. This is an important component in an action learning programme where the “doing” can overshadow the reasoning and thinking behind the actions taken.

Napier does not currently market the MSc in Leadership other than being in its prospectus, but this is under review. They feel that the MSc is a powerful tool and would like to test if there was any way that they could support taking the MSc to a wider market. They believe that targeted businesses want to hear about the business focus that Edge gives the programme rather than the academic angle. Napier views the mix of large corporate business through to small indigenous company as being a powerful combination to support learning.

Entry to the MSc is controlled by Napier. Entrants to the programme must have a degree or evidence of performing at a senior level of management. In order to maintain its Masters level the programme will not be diluted in an attempt to make it more easily accessible to less qualified or potentially less able candidates. From an academic viewpoint, the marked work is average although there are examples of some excellent work. What is being looked for is evidence of critical management thinking.

Because of the type of programme it is, the validation process is very rigorous. Napier feels that it has been helped greatly by Edge having a thorough knowledge of the academic system.

The marking process is based on:

- participants provide a portfolio of papers based on assignments arising out of aspects from the seminar series, all of which are of four thousand words
- participants deliver a presentation on their project
- each participant produces a reflective letter looking at personal values
- the bulk of the mark is based on four major assignments
- Napier checks the work then sends it out to external examiners

Napier views the cost of the course as high but ultimately good value for money. There is a collaborative approach between Napier and Edge towards costs and finance with a number of both fixed and variable costs – no matter the size of cohort. This is a commercial course for Napier and there is no subsidy towards it. If it failed to break even, consideration would be given as to its future, although as it currently enjoys a high profile this is not seen as a likely short-term scenario.

Overall, Napier views the MSc in Leadership very positively and values the relationship that they have with Edge. It is felt that the partnership approach taken by both parties and the strong links that have been developed give a sound base for the programme to be a success. Of particular help to Napier is the academic grounding that Edge brings to the programme as well as the business focus that they give.

If there is a concern it is over the decreasing role and influence that Professor Cairns now has on the programme. This is not a slight on the way the programme is now running, rather it is an indication of the high regard in which Napier and past participants hold Professor Cairns. His charisma in selling and contributing to the programme has been the cornerstone of its success.

Napier regard themselves as a University that works well with industry and they feel that this Masters programme is sound evidence of this.

5.2 Emerging Execs

The aim of this programme is to create learning communities within companies. On the initial cohort, 16 of the 19 participants came from companies that had participated in the MSc. This has enabled the MSc participants to act as knowledgeable and informed mentors to participants of this programme. One of the main characteristics of the programme is the work-based projects, where the mentor provides first-line support and the programme deliverers act in a remote supporting role.

Ritchie Cairns Associates

Ritchie Cairns have regular contact, both formal and informal, with the mentors and can modify and adapt the programme content based on feedback they receive. There have been a number of occasions where they have encouraged cross mentoring across companies.

The programme consists of eight participative 2-day seminars, where new topics and ideas are introduced and participants are facilitated to consider what it could mean for their company, two visits to “best practice” companies and three mentored and supervised in-company projects.

It is believed that the programme has been successful in:

- delivering projects in the business that have an impact on the bottom-line
- creating very influential learning communities with organisations that think alike
- significant changes in attitude and confidence



Ritchie Cairns conduct post-course evaluations and based on feedback received have subsequently introduced changes and modifications to the programme. SEL are provided with copies of these evaluations.

6 Economic development performance

This section describes the economic impact analysis of the programmes. It looks at:

- change in the businesses, in relation to the SE 'Growing Businesses' criteria, as a result of participation in the programmes
- broad indications of change in relation to some important variables, such as productivity
- quantified impacts

Almost all of the participant companies in the programmes have been interviewed; therefore results refer to actual numbers. In a few cases, more than one person from a particular company has benefited from one or both of the programmes; to count impacts from every single observation would therefore amount to double counting in these cases. We have therefore eliminated the double counting in respect of quantitative outputs, with one entry alone from each individual company that participated in the programmes. A total of 19 participating companies are referred to in the results, made up of 29 participants. Where there was a marked difference between results for the MSc Programme and those for the Emerging Executives programme, comment has been made.

6.1 Growing Business Criteria

Participants in the programmes were asked how far participation had directly helped them move towards the standards expected of 'growing businesses' – as defined by the SE criteria. The highest impacts overall (Table 3.1) were clearly in change in leadership style, as would be expected. There was only one case (under the Emerging Executives Programme) where this did not appear to have had an impact in the firm. Other areas where significant change had occurred were:

- commitment to continuous improvement
- developing the skills and knowledge of the workforce
- conscious promotion of innovation and capitalisation on new ideas
- explicit long term and strategic planning within the firm

Table 3.1: Has the support contributed to your firm in the following ways?	
<i>Because of the support.....</i>	%
The leadership style within the firm has changed (new ways of doing business, shared values throughout the firm, clear vision for firm)	96
There is a commitment to continuous improvement and regular measurement of performance against standards	87
We consciously strive to develop the skills and knowledge of the workforce	87
The firm now consciously promotes innovation and capitalisation on new ideas	83
There is explicit long term and strategic planning within the firm	83
We encourage and reward initiative	74
Change is consciously managed and embraced	74
We are much more aware of customer needs ; we monitor service indicators	70
We consciously network with clients, suppliers and others	70
Our knowledge of the market is much better	52
We think globally in terms of trading and acquiring knowledge	43
Our activities now demonstrate a high degree of corporate responsibility	35
We are in a better financial position with a strong asset base	26
We understand what technology can do for us; we have an e business strategy	26
We are more conscious of the need to promote equal opportunities in the recruitment, training and promotion of staff.	26

There were fewer impacts in relation to market knowledge, and global thinking. In many cases, firms believed that they were already sufficiently knowledgeable in these areas, so there was not that much scope for marginal improvement. The same was true of use of technology and financial position.

One area of increasing importance for companies, however, where the results might be considered disappointing relates to corporate responsibility (environmental awareness, social contribution etc). Leadership is key if firms are to change behaviour in this respect; future programmes should possibly pay more attention to this particular area. The MSc delivered higher impact in relation to this criterion than the Emerging Executives Programme. It may be that the greater depth that the MSc offers allows a more thoughtful approach to this criterion to emerge.

The financial position of companies does not appear to have been much influenced by the programmes so far. Here too, there was a big difference, however, with much higher impact among the MSc participants than among the others. This is likely again to reflect the fact that the MDs who take part in the MSc are more likely to be aware of the financial position of the company as a whole (and the contribution that the programme has made in this area) than the more junior executives who are involved in Emerging Executives.

In general, however, there is no doubt that the two programmes have had significant impacts in guiding firms towards the standards expected of 'growing businesses'.

6.2 Broad indicators of impact

These programmes are not essentially about delivering clear and immediate impacts in relation to items such as sales. They are about culture and attitude change; it might be some time before major effects in actual performance become apparent. Nonetheless, some form of tangible difference in company performance would be expected to be achieved eventually by these forms of intervention, otherwise they would simply not be worth the effort. Some broad questions about impacts were therefore asked of the businesses that had participated in order to gauge the likely shape of difference in company behaviour and performance. They are bound to reflect the fact that both sets of interventions have been relatively recent (some of the MScs, for example, have not yet completed their dissertations). That said, ideas have been taken back into the company over the whole two years that the MSc has been running and the one-year of Emerging Executives, so something might be looked for.

Firms were asked to consider the broad shape of impact so far and expected. The companies decided themselves what they viewed as "major" impacts. Most major impacts were in relation to sales and cost savings (Table 3.2). In a few cases, companies believed that the effect of the support provided through the two programmes would lead to reductions in employment (with consequent improvements in productivity). It is therefore important not to view the programmes as employment-creating initiatives, at least not in the short term. That said, the results from the MSc side were much more positive than Emerging Executives in relation to employment creation, cost savings and productivity. This may again reflect the more knowledgeable position of the senior people on the MSc programme who might take a wider view of the company than those on the Emerging Executives programme.

Many of the firms are not involved in exporting. Nonetheless, six businesses overall (32%) did see that the programmes would deliver major change in export performance.

Table 3.2: Broad effects of the Programmes on company performance			
	Major positive effect	Minor positive effect	No effect
	%	%	%
Employment	31	37	21
Sales	48	26	26
Exports	32	15	53
Cost savings	36	32	31
Productivity (output/employee)	26	32	42

6.3 Quantified impacts

The brief asked for quantified impacts to be described in relation to gross and net outputs, taking full account of additionality, displacement and multipliers. In many cases, the interventions have been recent, so not much will have come through so far by way of impacts. We addressed this by also asking firms what the *expected* impacts on their performance might be, say over the next four years, though these have to be interpreted with care in view of the natural propensity towards optimism in relation to this type of question.

More problematic has been the difficulty that executives and managers find in ascribing definite and tangible impacts to a form of support where the main immediate influence is on change in attitude and culture. While we covered impressionistic changes above, it was sometimes more difficult to get precise and quantitative answers. Nonetheless, firms were pressed on this and enough answers have been provided to allow us to make an estimate of quantitative impacts. Some answers were too vague to be able to be included (including a couple which suggested huge impacts – but where the effects attributed to the programmes were unclear). Two have been excluded from the strict quantitative analysis on this basis.

The main findings in relation to sales and job creation impacts are shown in Table 3.3. The job creation estimates, for the purposes of this evaluation, are derived from the sales forecasts divided by the current turnover per employee ratio. The main points are as follows:

- nearly 140 gross jobs have been created in Lanarkshire so far as result of the intervention with nearly £11m in gross sales
- netting off for displacement and non-additionality reduces this to 95 jobs locally and £5.8m in sales
- nearly 500 net jobs locally and £26m per annum in net turnover are expected over the next four years

Table 3.3: Gross and net sales and employment impacts		
	<i>So far</i>	<i>Expected within 4 years</i>
Gross sales generated	£10,650,000	£31,450,000
Gross jobs created/safeguarded	138	487
Average additionality		0.57
Average displacement - Lanarkshire		0.14
Supplier and income multipliers	Scottish Enterprise standard values were used for local and national supplier and income multipliers.	
Net sales in Lanarkshire	£5,710,000	£25,688,700
Net job creation in Lanarkshire	95	485
Average displacement - Scotland		0.26
Net sales in Scotland	£5,783,900	£27,013,000
Net job creation in Scotland	100	530

The expected impacts look high; however, even if only one half of them were achieved, impacts would still be considerable. It is likely that the employment impacts will not be as high as predicted, as the changes which are put in place as a result of the programmes would be likely to lead to improvements in productivity which, other things being equal, will reduce employment creation. But with approximately four jobs per company and £250,000 per company in net sales generated so far, SEL should be pleased with the outcomes.

The differences between the net and gross figures, and the local and Scotland impacts are not great. This reflects:

- *very low displacement*; the nature of the companies assisted is such that most of them are in markets outside Scotland; there was only one case of very high displacement
- *reasonable additionality*; this is nearly 60% overall, with 'absolute' additionality in about one third of cases. This suggests a good level of influence on assisted companies. In these types of programme it might be expected that firms will often say that they would have undertaken anyway the actions suggested, but that the assistance provided has brought them forward in time. To some extent this might be wishful thinking, so there is the possibility that in reality, additionality could be somewhat higher since in many cases, businesses would just not have made the changes without the prompting of MSc and Emerging Executives.

6.4 Other impacts

We also looked to impacts in relation to productivity, exports and cost savings. We discounted exports and cost savings to take account of non-additionality. The main findings were:

- 40 per cent of businesses had experienced productivity improvements so far (average of 16%) and 45% expected them in future (average expected improvement of 33%)
- there has been £1.2m improvement in net exports so far and £12.3m expected in future
- nearly £2m in net cost savings per annum so far with £4.7m pr annum expected.

6.5 Cost effectiveness

The MSc costs £20,000 per individual to deliver. The company is expected to pay half, so cost to the public sector is £10,000 per individual. With 23 MScs having been supported, total cost to SEL of the MSc support is £230,000.

Emerging Executives costs £5,400 per individual and again, 50% is paid for by SEL. With 17 Emerging Executive beneficiaries, public sector cost is therefore £45,900. Total public sector cost of both programmes is £275,900.

In total, 95 net jobs have been created or safeguarded so far in Lanarkshire as a result of the two programmes. Cost per job created or safeguarded is therefore £2,900. At the Scotland level, the figures are very similar. Total jobs expected to be safeguarded or created amounts to over 480 at the Lanarkshire level (slightly more at the Scotland level). If only half of these emerged, the number of jobs expected would be 240. This reduces cost per net job to £1,150. This is good cost effectiveness in comparison with other interventions which we are familiar with.

These are pretty crude calculations, especially those in respect of expected jobs. Furthermore, the programmes are not essentially about job creation, at least in the short term. All that said, the figures give the impression of a highly cost effective programme, which is backed up by the testimonials from some of the participants. Jobs created/saved so far are based on what the executives genuinely believed had occurred, so should be taken at face value. This side of the evaluation is therefore positive.

6.6 Differences in impacts between the programmes

Of the individual *companies* which were interviewed:

- One had participated in Emerging Executives only
- Ten had participated in the MSc only
- Six had participated in both programmes

We are very wary of producing economic impact figures by individual programme because the numbers indicated by the above dis-aggregation are very small. However, a few tentative observations can be made:

There was reasonable impact in the one company which had benefited from **Emerging Executives alone**.

Sixty per cent of businesses which had benefited from the **MSc alone** had seen impacts so far; these were substantial impacts and fairly consistent within this group. In *net* terms, they amounted to **£2.3m** in sales so far.

Of the businesses which had benefited from **both programmes**, 40% had seen an impact so far. These in total (and in net terms) amounted to **£3.2m** so far. However, the group which had benefited from both programmes was heavily influenced by the presence of one 'conglomerate', Westcrowns, beneath which there are three individual and semi-independent companies. The impacts among this group are dominated by one significant order, notified to us in interview. This explains the higher net impact among this group compared with the 'MSc alone' group.

If any conclusion can be drawn from this, it is that there do appear to be significant benefits when an MD or Chief Executive becomes committed to the processes supported through the Leadership programmes and encourages others at more junior levels to participate. But here too, in the Westcrowns case, the individuals further down the line are themselves in charge of their own specific business unit and therefore have the influence and responsibility to make change themselves. This is not true of all who took part in Emerging Executives. The *degree of influence* of the programme participant within the company assisted therefore appears to be a prime influence.



6.7 Conclusions on economic impact

Calculating economic impact in respect of these two programmes has not been straightforward because implementation has been only recent and the nature of change does not always readily lend itself to precise measurement in terms of tangible variables.

That said, we can see good impacts so far across a variety of variables. The programmes are not about short-term job creation, but employment impacts are reasonable nonetheless, partly through employment safeguarding as well as new job creation. *Cost effectiveness* in terms of net job creation has been good.

Businesses themselves seem to be convinced of the value of the programmes in any event, as can be seen by the responses on the Growing Business criteria. Though additionality may not be the highest that we have seen, this may partly relate to the nature of the client group and overestimate of what would have been done in the absence of the support provided. Overall, the economic impact figures are good, even despite the fact that the gestation period for impacts has not been great.

7 Other issues

7.1 Strategic influence

This section contains feedback received from participants on the MSc in Leadership and the emerging executives programme. In-depth interviews highlighted a drive to make strategic change happen in their businesses and brought out the ways that they had to change themselves to support this to happen.

7.1.1 MSc

The reasons given for enrolling on the programme have been varied and this should be expected given the range of experience and maturity of the individuals and the number of changes facing the private sector business environment.

The most consistent reasons given, for participation in the programme, were the need and desire for personal development and the wish to explore management *versus* leadership skills and techniques. The balance between these reasons was about 50:50, with all being able and willing to discuss benefits in both areas following completion of the programme. Many participants had been successively promoted to achieve their current position and felt that they would benefit from acquiring some formal training and development in the areas of management and leadership.

Most were convinced about the programme through discussions with their SEL account manager, from Professor Niall Cairns himself, 'word of mouth' referrals or from an approach by Edge. Since it is accepted that recruitment is one of the most difficult aspects of programme delivery, involving a charismatic and convincing delivery specialist in the recruitment contributed considerably to the success of this programme.

A number of the participants had little or no formal academic qualifications and found the opportunity to achieve an MSc within their work context very attractive. Additionally, the fact that this could be achieved without sitting any exams was a further benefit, although many have found the rigour required to complete their dissertation difficult and a number have still to complete them.

Although the programme is recognised as a costly investment, few commented on the cost as being a negative consideration to their participation. Those that did confirmed that without SEL's contribution they would have been unable to participate.



Benefits to the Individual

Many of the participants described the programme as having been a 'life changing' experience and believe it has been instrumental in helping them to understand their own thinking and behaviour better and to relate to others in a more constructive and positive manner. Most of them found the sessions on interpersonal skills development and Emotional Intelligence as thought provoking and helpful. This to a large part was due to the deliverers involved in the sessions and the environment in which it took place. Most believe this was fundamental to moving them from being managers to becoming leaders.

As would be expected from interpersonal skills development, each person described the benefits they gained from their own viewpoint and to some extent these were different for each person. The most significant benefits that were shared by most included:

- increased self-confidence and self-awareness
- encouraged more reflective thinking
- listens more and talks less
- now more aware of role of leader
- helped develop a more strategic point of view

Benefits to the Business

All participants were able to describe the changes they have implemented in their businesses, as a result of the programme. As would be expected, in terms of specific changes within their businesses, these were all quite different. However there was a strong consistency in the major themes driving the changes:

- shared vision and values
- culture changes
- more information sharing
- customer focus at all levels
- empowerment and delegation

One of the most notable changes was the move towards better involvement, empowerment and delegation of employees, combined with improved information sharing. These are all recognised as the requirements of good leaders and illustrate that this was not just an interesting personal development exercise.

Perceived Impact of the Programme

Most participants were able to share their thinking about the impact on the business in economic and people terms. For a number of them the programme acted as a 'wake-up call' and with the help of their colleagues and the instructors they developed and implemented significant changes in their businesses. Mostly this was in response to changing market conditions and for some this meant taking the difficult decisions they had been avoiding.

These changes included:

- restructuring the organisations, sometimes involving loss of senior people
- diversification
- establishment of new jobs
- introduction of new products
- investment in new systems and processes
- collaboration with partner organisations

7.1.2 Emerging Execs

The first programme was fully subscribed, which for a new programme – largely viewed as being expensive, is an achievement in itself. However, as described above there was a clear demand for the programme and some of the early advantages that this brought for recruitment to the first programme may not always exist.

Common themes from those interviewed that were being sponsored by previous attendees of the MSc in Leadership were that attending the Emerging Executives programme was compulsory. Six of those interviewed went on to say that they would not have attended the programme if they had had any influence on the decision. It is worth adding that these views were changed retrospectively by the benefits accrued by the participants.

Some of the more positive reasons for entering the programme surrounded the impact that they could see on their managers who had been through the MSc in Leadership. They had seen the difference in their managers and the new drive that was being instilled in the business. They felt that they wanted to play a part in this step change and only by moving up a steep learning curve could they be fully involved.

From a business viewpoint, a number of participants saw the programme as a vehicle that would support them to improve business performance in its own right. They felt that the tools and techniques that the programme would arm them with would enable them to meet challenges head on and make a direct contribution to business performance.



One key ingredient was the strong reputation that Professor Niall Cairns had built up with his involvement in the MSc in Leadership. His ability to sell the programme well, allied to the attraction that he had become in delivering parts of the programme was a very influential driver for recruits to the programme. His charisma and his wealth of experience and anecdotes were cited as reasons for the positive impact he had on the programme and the instant credibility he generated for himself.

What came through, as a major benefit of the programme was the ability to network with a peer group of managers facing similar issues. This very practical issue was not always raised as a direct reason for joining the programme at the outset, but was recognised as a core benefit as the programme progressed.

The cost of the programme was not seen as a barrier to entering the programme; again this largely seems to be based on the value and the benefits that the participants (and more importantly their sponsors) would gain from being on the programme. This is not to say that the cost of the course was not queried, it was seen as an expensive programme – but it was also seen as potentially very good value for money with demonstrable business benefits.

Another aspect that was not a barrier originally was the lack of a recognised qualification for passing the course. The participants who had had limited access to formal higher education (and who had to not only work very hard, but also conquer their original fear of participating) were particularly unhappy that their efforts were not more visibly recognised.

Personal Benefit to Participants

The interviews with participants threw up a wide range of individual benefits that they felt had come about because of the programme. The main benefits were:

Benefit	number	%
greater confidence	5	38%
the ability to think and act more strategically	6	46%
the way they now involved and worked with staff	9	62%
an improved decision making process	8	69%

There were many others but these four seem to capture the main elements of the benefits accrued. In many cases more than one of these benefits came together in examples that the participants gave during interviews.

In terms of gaining confidence from the programme all of the participants recognised their own increased confidence. A number felt that the programme helped to motivate them initially by focusing on their achievements and making them realise that they were doing well already.



One participant said that he now had far greater self-confidence and that this was spreading to his ability to make decisions and then putting new ideas into practice. Another said that greater confidence was now enabling him to take more risks than he would have before, but stressed that these were measured risks.

A telling comment by one participant was that he now felt able to stand back and ensure that the “right” things were being done, where in the past he would become involved in all areas of the business, supervising to make sure that “things were done right”. In the same example, this had also led to longer term thinking when dealing with customers. In one particular case, the company had elected to “take the hit” on replacing a damaged good - something that was not their fault - in order to demonstrate goodwill to an important customer and to help to develop the relationship for the longer term.

This ability to think and act more strategically was a recurring theme in the interviews. One participant felt that he now had a far better awareness of all parts of the business, simply because he was now looking at the business in different ways. He was now seeing different aspects of the way the business was run and the opportunities that were being missed – he was now also focussing on how opportunities could be exploited.

Getting more from staff by enabling them to have a greater involvement in the way that the business was run came over as a big individual benefit as well as a business benefit. A number of participants said that this was down to having the confidence to trust in the ability of the people that worked for them. One participant said that he now felt more able to assess his staff's personality and needs and to use this to make judgements on how best to get the most out of them, by focussing on their strengths and helping to address any perceived weaknesses in a positive manner. A number of the interviewees admitted that their style in the past had been dictatorial and they were now trying to coach staff rather than criticise.

In many cases training for staff had now become a far more valuable and important issue. In all cases training was valued in building the skills and confidence of the workforce. In one particular case training was also used as a tool to demonstrate commitment to a part of the business that staff felt was under threat. All of the participants now feel that the staff that works for them see them in a different light, and are more likely to support new ideas and in many cases be prepared to “go the extra yard”.

Most of the participants interviewed felt that they already had the ability to make decisions, but also felt that their ability to come to decisions more quickly and with a greater degree of confidence had been enhanced. A couple of participants mentioned their tendency to previously go with their “gut feeling”. They were comfortable with this but did feel that they now had the ability to also think analytically to back up their judgement and had greater confidence in going with their decisions.

Business Changes

In some instances, participants felt that it was too soon to be able to credit the new thinking that they had introduced to tangible business improvement. In addition, some participants that were in companies where their CEO/MD had been on the MSc in Leadership, felt that the company was already being driven forward by the ideas and initiatives already introduced by previous actions. A major benefit that was recognised in these cases was the ability to support initiatives as a management team.

The interviews with participants identified a wide range of business changes that were introduced, reflecting the range of issues affecting individual companies. The most common changes were:

change	number	%
More focused teams/involving staff	5	38%
Improved sales systems	3	23%
Cost saving projects	5	38%
Improved production systems	2	15%
New products developed	2	15%
Open book management introduced	6	46%
New training approaches	3	23%
No changes	1	8%

Some of the business changes that were introduced reflected the personal benefits in the previous section. Other changes included:

- involving staff in wider aspects of work and in the overall operation of the business. This was a common theme and early results were starting to come through. Staff were being encouraged to challenge the ways that things were done at present and to come forward with ideas. Innovative ways to reward staff that responded positively to this were being introduced. The influence that the programme has had on the way that people throughout the workplace are now involved is significant. This in itself is almost certainly going to be the greatest long-term benefit for each business that has addressed the contribution and involvement of staff.
- open book management was something that quite a number of the participants had introduced in their companies. This was seen as a significant change for some of them, but they also said that staff had quickly responded to this and appreciated this style of operating.
- in two instances sales were now tied into customer service that had led to greater levels of efficiency.
- one manager has restructured their department, whilst in another case a cross-functional team had been established to review equipment maintenance and to look at ways of dealing with maintenance in-house.

All of the participants that were interviewed had multiple examples of changes that they were introducing to their business with several of them already being able to identify positive outcomes from the changes made.



Business impacts

The participants that were interviewed were asked to identify impacts on the business that they could directly attribute to their being on the Emerging Executive Programme. These included:

- cost savings and efficiencies
- increased sales
- increased profits
- smaller, more focussed team

Significant barriers

The greatest constant from the interviews was the scepticism of people to new ideas and to doing anything differently. Traditional thinking, culture and ethos allied to a resistance to change were common factors that participants had to address in their organisations when they tried to introduce new ideas.

In one case a downturn in business led to concerns that any new ideas that were contemplated were management ploys to reduce the workforce.

Despite the fact that this programme was created to enable leadership thinking to support CEO's/MD's, the barrier of senior management hanging firmly on to control and political issues from "above" was still in evidence. This was a particular frustration in one instance leading to an expressed expectation that the company would lose very good staff in the near future because of the unwillingness of the board to accept and address change.

7.2 Course structure

There were many references to how the structure of the courses suited busy business leaders better than the traditional MBA. The short blocks of work, followed by in-house projects, enabled them to schedule their time more easily.

There was some concern raised over the changes in running order of some modules, which often happened at short notice. Another concern was the impact that poor timekeeping by lecturers and fellow participants had on smooth running of the modules.



7.3 Role of other LECs

Leadership is one of the characteristics that SEL and the Network have identified that is required to ensure that organisations can grow, recognise and take advantage of opportunities. There have been many different approaches to developing leadership that have been supported by Local Enterprise Companies. The views of LECs included:

- Cost was a big issue with almost every LEC
- Some would promote the MSc but would not fund it directly
- The majority wanted to hear more about the programmes
- Linking two programmes was viewed as a strength
- There could be a national programme approach taken
- LEC's were happy with their current leadership programmes
- Companies would be hard to influence to participate
- Businesses would be unwilling to travel

More detailed feedback from LECs is contained in Appendix 6.

8 Options Appraisal

8.1 Withdraw SEL support completely from one or both programmes

The SEL approval paper of April 03 highlights SEL and the Network's commitment to supporting this type of activity over the medium to long term. This is understandable given the significant levels of attitudinal change required to fully integrate such an important discipline into Scottish business culture. When considering the need for a longer-term approach along with the positive outcomes and benefits to be gained from these programmes as demonstrated in this review, then withdrawing SEL support at this time appears a weak option. Despite good progress, there is still evidence of the original market failure and exiting these programmes completely would leave SEL with gaps to fill. Whilst withdrawing funding support completely appears a weak option, this does not imply that more of the same is the only option.

An option for SEL is to consider missing an MSc cohort. There is an argument that suggests that the individuals and companies that would most benefit from the MSc have now been through it or have made it clear that they are not going to participate (ie 29 participants from a total of 150 local account managed companies). Nor does there appear to be a huge demand for leadership development coming through from companies out-with the SEL account managed companies, judging by anecdotal evidence and the views coming through interviews – added to the very low interest and/or response to requests for information and opinion on leadership.

A gap year gives SEL a chance to re-evaluate and promote to a wider target market and for new rising businesses to emerge. The down side to this would be the risk of the MSc becoming unviable without SEL support and disappearing. Edge greatly value the direct support that participants receive from SEL and the impact this has on the programme, but believe that the programme would still be strong should SEL withdraw. Despite this view the loss of such significant support would represent a risk.

The emerging execs programme is an excellent example of demand driving supply and has made a very good start. There is scope to build on this and withdrawing support would appear to be a backward step at this stage. However, the major reason for the introduction of the emerging execs programme was to support and challenge their managers on the MSc. Running the emerging execs programme without a parallel programme could lead to participant frustration back in the workplace if they met with negativity to new ideas.

8.2 Construct new SEL funding regime for programmes

A common view from other LECs on the programmes was that they were very expensive at a time when budgets were stretched. Building on this theme, participants on the programmes also felt the costs were high, but in the main they did believe they received good value because of the impact they achieved in their business. One option for SEL is to negotiate a lower fee with programme providers for participants and this is considered later as an option. The option we consider here is new ways that SEL could support Lanarkshire businesses that would attract them to the programmes at a lower cost to SEL.

The first and cleanest option would be to reduce the level of funding available from 50% to 25%. The issue is whether this would be attractive enough for companies to participate. Many companies suggested that one of the main drivers for their participation was the availability of such significant SEL support. There can be little doubt that there is a high level of price sensitivity surrounding the programmes, and if SEL wish to continue supporting the programmes then they would have to market the benefits hard in order to maintain a similar level of participation from Lanarkshire companies. This would be both time consuming and costly.

Another option would be to combine support of one programme to the other in a holistic approach to company development. For example if a company funded their CEO through the MSc, SEL would agree to 50% funding support for up to three senior staff through the emerging executives programme.

Whilst this might have been an option for the first programmes which ‘gelled’ in this way, there is no guarantee that there are other businesses that would see the benefits of such a team focussed approach. The major difficulty with this option remains the high cost, with the additional “hurdle” of buying into a team approach.

The costs of these programmes, particularly the MSc are high. However, any reduction in the level of support to companies would almost certainly lead to difficulties in meeting recruitment targets. If budget restraints means there is less funding available, a better solution would be to offer support to fewer companies than at present and keep quality high.

8.3 Make changes to MSc

SEL have been able to influence some aspects of the MSc programme because of their significant support in attracting and supporting participants on it. SEL can and should continue to exert pressure to ensure best value for money and the highest delivery standards. This is difficult to do effectively in a direct way without the existence of a delivery contract, but the programme could be influenced by SEL through contracting with the companies they support, with the onus on them to ensure standards and expectations were met. Any more fundamental change would be difficult because SEL do not fund or control the programme that Edge deliver. In addition, for the MSc to keep its academic status, it would still have to meet the academic guidelines laid down and monitored by Napier University.

Napier University have no desire to deliver this programme as their own product. This may appear to be an option to drive down the price of the programme but Napier believes the strength of the programme is the direct business relevance that Edge brings, along with their strong contacts including international contacts for delivery. Napier feel that on their own they would be unable to maintain the direct business benefits the programme currently brings and that they would deliver a more academic model more closely aligned to an MBA.

The MSc has delivered very good results and has received good feedback from participants. Without evaluating each module in depth, and taking the academic viewpoint into account it is difficult to envisage or recommend any major changes at this stage. The only area for change is in ensuring that the standards of administration and organisation surrounding the logistics of such a programme are raised to a level befitting its profile and cost.

The fee for the course is high at £20,000 per participant. It is always worth renegotiating fees, but the level of fees paid to lecturers was not made available to us and without such information it is difficult to comment on whether cost cutting would lead to a reduction in quality.

8.4 Make changes to Emerging Execs

The emerging executives programme was born out of demand and like the MSc has delivered a number of significant business benefits to participants and their companies. A key strength of the first emerging execs programme was the support given from those on the MSc who mentored and supported their own staff. This enabled the fundamental reason for the programme to work – by linking the level of thinking across management teams.

A strong view that emerged from those undertaking the emerging execs programme was it should become year 1 of the leadership MSc. This would give a number of benefits in that it could remain a stand-alone, one-year programme, it would recognise achievement by being linked to a qualification, and it would encourage participants to continue their development by progressing to the full MSc. However, there are cost, time and other implications in doing this and it is unclear if the benefits would outweigh these.

Another option would be to have the emerging execs programme validated by an awarding body in its own right. A number of participants made the point that after they had put a lot of work in, they wanted this recognised with some form of qualification.



8.5 Participant selection

In programmes like these, there can be a fine balance between getting the right people onto programmes and getting enough people onto them to allow them to happen. There is also the need to recognise that not all participants will have the same degree of influence in their company and therefore some benefits may not accrue, i.e. where projects and ideas are not supported at the highest level in the company. In the future SEL may wish to consider which participants that they wish to sponsor based on their influence in the company rather than purely their position. This will often be a difficult judgement to make and it relies on account managers knowledge of the companies they work with. In Lanarkshire the relationships seem strong enough to make this work. However, this would mean a time commitment for SEL staff and could also place an onus on SEL to fill courses.

8.6 Contractual agreements

At present SEL does not have a contractual agreement with the programme providers. Although this can be frustrating when monitoring suggests there are issues with delivery, there can also be advantages as this enables SEL to stay out of day to day affairs that can easily become time consuming and a drain on management resource.

A more focused approach to contracting with the companies that SEL support could be taken. The aim would be to ensure that the companies managed the level of service they received enabling SEL to have control without direct intervention with the providers. In addition SEL could manage and “claim” the benefits accrued to the companies more easily through such a contractual agreement.

8.7 Promote the development of a Network product

Many of the other LECs were interested in the SEL approach and wanted to hear more about the results coming out from the programmes. While there may not be a case for a Network approach, some LECs might be interested in promoting both programmes to their targeted companies. For example they may wish to issue a list of target companies to the programme managers to let them market the programmes without making a financial commitment to support companies.

8.8 Support the creation of a leadership network

There was strong representation from some businesses to create a network that would enable good practice to be aired by companies to their peers. There was even stronger representation that “supported” networks are a lot of administrative work for little reward. This was underlined by the experience in Fife where a network was only kept alive by a central administration and the benefits were negligible. Networking should be encouraged on the programmes, but if they are to be of genuine value they will be created through the demand of the individuals involved.



9 Conclusions and Recommendations

9.1 Conclusions

Both the MSc in Corporate Leadership and the Emerging Executives programmes have delivered very good outcomes and impacts.

Companies that had participants on both programmes generally achieved greater benefits because of the link.

Participants who had attended the MSc in leadership reflected a higher level of benefit back to their business. This may not relate directly to the programme's influence but more to the position of the participant in the company, and their ability to influence strategic direction.

The degree of influence of the programme participant within the company is the main contributory factor in the level of benefit achieved by the company in the short term.

The earlier programmes were held in higher esteem by participants. The programmes that Niall Cairns has been involved in have been better received by participants.

Recruitment in the future will be difficult. Key factors to date have been SEL funding support, the advice of SEL account managers and a "hard" sell by Niall Cairns.

Market failure remains – although this view is largely anecdotal and based on the general apathy from companies in responding to requests for views and information on leadership development.

There are some level of service issues with the programmes that the companies have highlighted and that SEL are unhappy with. Although these have been addressed, SEL remain uncomfortable with their lack of control over the providers.

There is scope for SEL to increase their level of control through the contracts they have with supported companies. This would also enable them to manage results and longer term outcomes of the programmes.

SEL support for the programmes is appreciated by companies and providers and their relationships are valued.

The programmes are expensive and would undoubtedly struggle to attract small businesses without SEL support.

There is interest in the SEL approach from other LECs but currently a low expectation of them participating directly. Most often cited reason is high cost.



9.2 Recommendations

The main recommendation is to continue with two very successful programmes. Despite the fact that they are aimed at long term benefit, they are already delivering results and are an excellent example of an economic development intervention. The MSc is a powerful programme in its own right and the addition of the demand led emerging executives programme is a unique way of building on success. There are some issues that can be addressed and they are covered in the rest of this section.

9.2.1 Target market

SEL funding support of 50% of course fees should remain open to CEO's and MD's of account managed companies for the MSc in leadership. This has produced very good results and economic impacts for SEL. Consideration should be given to phasing out funding support if a new leadership programme (see next recommendation) directly linked to the emerging execs programme can be developed. In any event SEL should continue to promote the MSc to all Lanarkshire companies as good practice.

SEL account managers were highly valued by companies. Whilst funding support enabled participation, it was often the opinions and advice of account managers that convinced companies of the value and benefits of the programmes. This link should continue to be built up.

SEL funding support should be available for senior managers to participate in the emerging execs programme from companies where SEL have supported a past or present participant on the MSc in leadership, or where the CEO/MD agrees to act as mentor.

The target market for the programmes should now be widened to include selected "medium impact" companies and companies identified as having future growth potential. This should not develop into a scatter-gun approach and account managers should be invited to draw up a list of target companies that should be approached. Particular emphasis should be given to the level of influence potential participants have within their company. Where influence is lower, the participant will need to satisfy SEL that projects forming part of the course will be fully considered by the company.

In the short term recruitment will almost certainly continue to be a difficult area because many of the "cherry pick" companies have now participated and anecdotal evidence suggests that market failure remains. Time and effort will have to be focussed on attracting good candidates for the programmes to maintain the high level of business benefits achieved to date.

9.2.2 Development

SEL should investigate developing a one-year leadership programme for senior people that directly complements the emerging executive programme. These two programmes could then be marketed together as one product that would support overall leadership development in companies.

The reason for this approach is to facilitate the high level of satisfaction identified when a company has the benefit of having staff on both MSc and emerging exec programmes. Whilst successful, it was difficult to gauge how complementary the two current programmes actually are and a new programme would be aimed at making both programmes entirely compatible and specifically geared to delivering a company wide approach. The key to doing this successfully is attracting a charismatic leader to develop and deliver joined-up programmes in the manner demonstrated successfully by Niall Cairns.

Developing a new programme would allow SEL a greater level of influence in programme content, building on the knowledge gained from running such programmes and should be more cost effective. If such a programme were created other LECs that have shown interest might well be encouraged to work with SEL to create a larger target market, hence reducing potential recruitment difficulties.

This is not a recommendation to replace the MSc; it is a recommendation to build on the SEL portfolio of assistance for leadership development. The MSc remains a powerful tool in its own right.

9.2.3 Marketing

Marketing for the programmes should include testimonials and case studies from companies that have benefited from SEL support. The companies that seemed most interested in the programmes wanted to hear the practical benefits that other companies had achieved in their business.

The current process of the providers marketing the programmes directly seems the most obvious and effective way. SEL should continue to monitor closely the way that their support is introduced.

Recruitment to previous programmes had been heavily influenced by companies talking to each other and previous participants should be encouraged to promote the programmes. Where possible SEL should invite previous participants to events (annual public meeting etc) to promote the benefits gained.

SEL should also continue to promote their involvement in business, management and personnel journals to keep their profile high as a key player in leadership development. This will attract leadership “experts” and will assist in developing views on the future direction of these products. It could also assist in gaining ‘buy in’ across the SE network that would support the approach.

9.2.4

Clear objectives

Prior to starting on a programme every participant that is supported should agree with SEL the objectives for their participation, what they expect to achieve and how they will work with their SEL account manager to ensure a holistic company benefit from the support. SEL should ensure that they set up a system with each company to ensure that they capture the outcomes and outputs generated by participation on the programmes. In addition to this, the contract that companies sign with SEL to attract funding support should include their commitment to ensuring that they receive the level of service from the provider that they are contracted to receive.

9.2.5 Business benefits

The core reason for supporting participants on these programmes is to generate lasting benefits to Lanarkshire companies in line with the objectives of national economic strategy. Despite the international aspect of the programmes, there was a disappointing level of influence on participants regarding global markets. To meet one of the key aspects of a Smart Successful Scotland, SEL should promote with providers on both programmes a greater emphasis of thinking globally in terms of trading and acquiring knowledge. This should be managed by having a programme review with providers based on feedback from companies at the end of each programme. This should be a constructive review mechanism and not be seen as a form of pressure group.

9.3 Actions

The following table suggests the actions required to support the implementation of the recommendations. The timescale for all of these actions can be described as immediate, but in reality they can be developed as programme funding packages are developed.

Target market	<ul style="list-style-type: none"> – Target market should be agreed internally by SEL through discussion between programme manager and account managers. – Commitment and availability of account manager's time should be clarified as marketing approach will be time consuming.
Development	SEL should commission feasibility work on the development of a senior managers leadership programme to link directly with the emerging exec programme to create a company wide product.
Marketing	<ul style="list-style-type: none"> – Marketing materials should be developed by SEL focussing on case study successes from the programmes. – SEL should promote their involvement widely. – SEL should invite past participants to events to promote their involvement and success.
Clear objectives	A contract between SEL and supported companies should be drawn up by SEL.
Business benefits	SEL should approach providers to form a review mechanism for the programme.

Summary of MSc Interview Responses

The following contains a summary of the responses during the interviews (where a response is in bold, this indicates that it was given by more than one participant)

Reasons for joining the programme

The most consistent reasons given for participation in the programme was the need and desire for personal development and the wish to explore management v leadership skills and techniques:

- challenges to business and changing shape of market
- low morale in company
- need to change the way the business was run
- interest in understanding people management
- recently sold business
- **personal development**
- learn and gain experience from others
- develop 'out of the box' thinking
- pressure from competitors made us realise we needed to change
- **refresh management and leadership skills**
- seeking to improve business
 - keen to achieve a formal qualification and MBA too rigid and time consuming
- keen to develop leadership skills
- needed to be a better corporate influencer
- work with Emery Business School
- leadership became a high priority in rapid growth company
- **need for more strategic thinking**
- need to put learning into effect in the business in a timely manner
- **need for leadership development**

What convinced you

- **Niall Cairns sold it to me**
- heard about it from past participants (word of mouth)
- **SEL account manager**
- no exam just regular assignments
- MSc looked more interactive than MBA
- approach by Edge

Key benefits to individual

- **involve staff more in all aspects of business**
- values staff and their opinions more
- **now listens more and talks less**
- more informed decision making based on facts and not feelings
- share information and lead discussions on successful & unsuccessful initiatives
- admitting mistakes
- **knowledge and understanding of self better**
- **life changing experience**
- think about the bigger picture
- more able to deal with the challenge of leading a loss making operation

- **increased self confidence and self awareness**
- more able to interact with manager effectively
- **encouraged more reflective thinking**
- **given me a fresh way of thinking about tomorrow's business**
- now pause before any emotional outbursts (feedback from colleagues)
- broader management and leadership skills
- development of personal and company priorities
- encouraged me to read more
- provided me with knowledge and resources to act tactically or strategically
- think before acting
- **understands need for leadership as opposed to management and leads now**
- more inclusive and less passive
- recognises the need for leadership
- **now more aware of my role as a leader**
- recognises importance and contribution of all
- now more pro-active in dealing with issues
- recognised I needed managers who were up to speed with my thinking
- **helped develop a more strategic point of view**
- considers long term as well as short term effects when making decisions
- handle conflict situations better now
- handle 'politics' better

Major impacts on business

- recruits better people
- collaborate better with partner organisations, leading to more business opportunities
- invested £20k in improved systems and software
- **shared vision and values**
- development of a learning centre
- improved industrial relations
- **changing culture and becoming more customer and market focused**
- measurement of levels of customer service
- establishment of a new site to steady state in record quick time
- improved cost savings and productivity gains achieved by making managers swap job roles
- new vision for the company that was more ambitious and looked further ahead
- focus on the bigger picture
- development of 5 year plan
- helped manage through a difficult financial situation
- recruitment of a new post – production development manager
- introduction of 3 new products
- **restructured organisation**
- involvement with overseas joint venture (following first assignment)
- diversified into new area of business
- shared goals and objectives
- set-up a graduate trainee programme
- Bought out funding partner

Notable changes to running the business

- **developing a learning culture within the organisation**
- staff more motivated and empowered to act on own initiative
- **more information sharing**
- new innovative techniques to add to existing approaches
- introduced a new sales process that enables him and the company to understand and address where sales are going wrong
- **implementation of open book management**
- introduction of balanced scorecard
- **improved delegation**
- improved communications between departments / units
- improved working with management teams
- decision making is opened up to include teams and staff
- **engaging with and empowering employees more**
- supporting employees to make own decisions and possible mistakes
- introduction of mentoring of new employees
- celebrate success more
- **focus on customers at all levels within the business**
- ensuring everyone understands how they contribute to the supply chain and overall success of the company
- shared information, including profit, sales, market share, with everyone
- including customers' needs in decision making
- implementation of models introduced during the programme
- management team has expanded beyond just founders and shareholders
- decisions are now made earlier and quicker
- more focus and priority planning
- acquired tools and techniques for dealing with issues and problems
- helped identify those that needed to leave the business
- introduction of quarterly senior management away days
- **developing leaders at all levels, e.g. emerging execs**
- introduced action management projects to achieve quick wins
- introduced performance boards as a way of sharing ongoing business performance with all
- introduced suggestions scheme that has been well supported and resulted in some quick wins
- changed appraisal system and made it more consultative and involve personal development planning
- introduced outward bound days to encourage teamwork and leadership

Significant barriers

- **time**
- CEO time and availability
- not all managers on board
- moving from entrepreneurial culture
- **attitudes and culture towards change and growth**
- scepticism
- financial support from head office
- changing own behaviours – challenging and uncomfortable
- entrenched attitudes
- size and procedures of a multinational programme
- people thinking it was just 'book talk'

Best aspects of programme and areas for Improvement

Best aspects

- **life changing experience**
- **EQ work fascinating**
- **discussions and debates with people from different experiences**
- **Atlanta trip**
- **quality of speakers is excellent**
- corporate influencing
- structure (short blocks)
- personal profiling
- Niall's involvement
- looking into the future
- **made some good friends that still meet regularly**

Areas for Improvement

- finance module
- **organisation and administration**
- content more grounded in a business context
- finding a new Niall Cairns
- some sessions lost credibility because they lacked context with business world

Investments in actions arising from MSc

£200K

£30K – 5 managers through Scottish Engineering course

£70K on training of staff

£50K on capital spend

£40K on training and development

£35k

£400K on new product development

major effect on cost savings and productivity

£100K in software development for an ERP system

£30-40K on Emerging Execs programme

Changes against the characteristics of Smart Successful Businesses

Innovation		X	X	X	X	X	X			X	X	X	X		
Continuous improvement		X	X	X	X	X	X	X	X	X	X	X	X		
Change			X	X	X	X	X	X	X	X	X	X	X		
Leadership	X	X	X	X	X	X	X	X	X	X	X	X	X		
Strategic planning	X			X	X		X	X	X	X	X	X	X		
Markets		X		X	X	X	X		X		X		X		
Customer needs		X	X	X	X	X	X		X	X	X	X	X		
Corporate responsibility					X	X				X	X	X	X		
Finances					X	X		X	X	X			X		
Global	X				X	X	X		X		X		X		
Networking			X	X		X		X			X	X	X		
Skills & knowledge		X		X		X	X		X	X	X	X			
Initiative		X	X			X	X		X	X	X	X	X		
Technology											X		X		
Equal opps								X					X		

Significant economic impacts

- minor positive effects on sales & cost savings
- long term improvement in employment and cost savings
- significant growth in sales, exports, productivity
- turnover grown by 20%
- minor positive effects on sales and exports
- major positive effect in productivity
- minor positive effect on employment and productivity with major positive effect on cost savings
- major positive effect on employment, cost savings and productivity
- major positive effect on employment, sales (long term) and exports with minor positive effect on cost savings
- minor effect on sales, cost savings and productivity and major effect on exports
- minor effect on employment and exports and major on sales and cost savings
- minor effect on employment and major on sales
- major effect on employment and sales and minor effect on productivity
- negative effect on employment

Appendix 2

Summary of Emerging Executives Interviews Responses

Process

To get as good a response as possible and to gain the maximum from interviews the following process was followed:

- a letter went out from SEL to each individual who had been supported by them on the programme informing them of this evaluation and urging their involvement.
- appointments for face-to-face interviews were arranged by telephone.
- an e-mail questionnaire with “trigger” questions attached was sent out to get interviewees thinking about the subject prior to the interview.
- a structured interview was held on the business premises of the participant
- a transcript of the interview notes was typed up and is being sent to each participant.

The following contains a summary of the responses during the interviews (where a response is in bold, this indicates that it was given by more than one participant)

Reasons for joining the programme

- group MD was one of the founders of the programme
- requirement for managers to be on the same level of understanding as group MD
- **need to work and think at a higher level and act as leader**
- understand difference between leadership and management
- self development
- company was in the middle of change
- **‘not attending’ was not an option**
- improve business performance
- right course at the right time
- developing confidence
- manage team more effectively
- requirement to change negative thinking

What convinced you

- reputation of Cairns and Ritchie
- opportunity to meet like-minded people
- seeing the change in our Chairman who had attended MSc

Key benefits to individual

- recognition that things are usually neither black or white, where people are concerned
- **involve people more and delegate properly**
- **reflect more on the bigger picture**
- recognise that as a leader I need teamwork and support
- **listen more carefully and effectively**
- more of a risk taker with decision making
- **more self confidence**
- more able to assess staff’s personality and needs
- more teamwork in decision making
- reflect before making decisions
- having a network of contacts to help resolve issues

- more analytical in decision making
- able to stand back and manage business
- coaches rather than criticises staff
- time management
- now does the right things
- **more self-awareness**
- **operating as a leader rather than manager**
- analysis and communication
- take on more responsibility
- think more about strategy of department
- better awareness of all parts of the business
- less prescriptive
- understanding and belief that we can make a difference

Major impacts on business

- smaller, more focused team
- won more business
- improved efficiencies from implementing programme initiatives
- improved cost savings (to date £8K)
- 3% increase in profit
- possible cost savings through in-sourcing equipment maintenance
- making operations director redundant

Notable changes to running the business

- identification of those that can make a difference and those that can't
- **more teamwork in decision making**
- sales tied into customer service making us more efficient
- introduced timesheets to make estimating more accurate and effective
- restructuring the way things are priced
- **give 'strokes' that are appropriate to needs and celebrate success**
- introduced goal setting and objectives
- **encouraging everyone to challenge status quo**
- introduced cash flow improvements
- more long term thinking and decision making
- staff are more valued
- introduced competition between teams
- **encourages ownership of new working models**
- targets are set and staff measured against them
- restructured the department
- delegated more to team leaders
- introduced 1:1 feedback during performance reviews
- streamlined a number of processes
- introduced a development week for new team leaders
- **involve people/ team more**
- **encouraging people to 'have a go' and its ok if it doesn't work**
- better cross-co-operation between teams
- reduced time to produce month end results

- cross-functional team reviewing equipment maintenance and in-sourcing it
- encourages people to develop ideas
- using open book management
- introducing incentive schemes

Significant barriers

- traditional thinking and expectations
- political barriers from above
- resistance to change
- scepticism
- 'bottom-up' barriers
- culture and ethos of the organisation
- senior management control
- downturn in business
- changes in personnel

Best aspects of programme and areas for Improvement

Best aspects

- personal development
- having 3 colleagues on it
- delivery methods and topics
- **colleagues and discussions**
- delivery consultants
- processes, tool and techniques
- different learning styles
- self awareness
- John and Niall
- learning difference between leadership and business

Areas for Improvement

- **would have liked more residentials to enable better bonding**
- **finance module – too detailed**
- more time on the different subject areas
- more 1:1 support for EQ work

Investments in actions arising from MSc

- time
- £50K-£60K on training
- £1.5K
- £85K on cross-functional project
- £15K on Kaizen Blitz

Changes against the characteristics of Smart Successful Businesses

Innovation	X	X	X	X		X	X	X							
Continuous improvement	X		X	X	X		X	X							
Change	X	X		X	X			X							
Leadership	X	X	X	X	X		X	X							
Strategic planning	X	X	X	X	X		X	X							
Markets		X		X	X	X									
Customer needs	X	X		X	X	X	X								
Corporate responsibility							X								
Finances			X	X											
Global	X		X				X	X							
Networking	X	X	X	X	X		X	X							
Skills & knowledge	X	X	X	X	X	X	X	X							
Initiative		X	X		X	X	X	X							
Technology		x					X								
Equal opportunities				x	x			X							

Significant economic impacts

Major effect on sales, exports and cost savings

Major effect on exports, cost savings and productivity

Major effect on employment and sales

Minor effect on sales and cost savings

Minor effects on cost savings and productivity

Appendix 3

Participants on the Corporate Leadership MSc

Cohort 1

Steve Timoney	ECO European
Malcolm Murray	Robert Wiseman Dairies Ltd
Frank Ferris	TFC Cable Assemblies Ltd
Bernard O'Connor	Aortech (Europe) Ltd
Connel Boyle	EKC Technology Ltd
John Stokes	JVC Manufacturing(UK) Ltd
William Gibb	Motorola
Christine McGrory	Kids Clubs Direct
Bill Rodger	Scot Trout Ltd
John Quinn	Tetrapak Ltd
Fraser Haran	Westcrowns Ltd

Cohort 2

Tim Lever	Crawford Scientific
Mike Grey	Link Technologies
Craig Carlisle	Micron Europe Ltd
Allan Cattle	Nallatech
Stephen Park Brown	NVT Computing Ltd
Niall MacDonald	OKI Europe Ltd

Cohort 3

Billy Ferguson	Motorola
John Bremner	Link Technologies
Tim Summers	Motorola
Malachy Devlin	Nallatech
Graeme Muir	NVT Computing Ltd
Tom McKenzie	OKI Europe Ltd

Appendix 4

Participants on Emerging Execs

Duncan McLean	Haran Glass	MD
Becky Thomson	Haran Glass	Financial Accountant
Jacqui Kennedy	Haran Glass	Operations Manager
Raymond Caldwell	Haran Glass	now redundant
John Devine, Jnr.	Independent Glass	Operations Director
Alasdair Brown	Reglit Glass	General Manager
Alasdhair McIndoe	Hardec Flooring	General Manager
Dave Clemenson	Wisemans	IT Director
Helen Chomiak	Wisemans	Management Accountant
John Burnett	Wisemans	now working in Droitwich
Mick McMullen	Wisemans	Sales
Jacqueline Nelson	TFC Cable Assembly	Managing Director
Fiona Gayne	TFC Cable Assembly	Materials Director
Margaret Milcairns	TFC Cable Assembly	now redundant
Andy Ritchie	ECO European	
Steve Lynch	ECO European	no longer with company
Bob McNair	Aortek	no longer with company
Anne Watson	Micron	
Tom Hughes	Kids Klub Direct	Training Manager

Appendix 5

Details of Market Failure telephone interviews

Douglas Lamb, The Box Shop, East Kilbride

Mr Lamb has not undertaken any formal leadership development training but he does read widely on the subject. He turned down the opportunity to undertake the MSc in Leadership for a number of reasons, the principal ones being a lack of time on his part and also he did not feel the timing was right for his business. His view is that any tools and techniques he would have picked up would not be embraced until the company was in a fit state to move to the "next level". He did believe that leadership development was needed in Scotland – and included himself in that, but he also expressed a personal concern of failing the course and going down in the estimation of his workforce.

John McCann, Vipond Fire Protection

The parent company of Vipond believe strongly in leadership development and have set it as one of John's goals. He has just returned from Westpoint, the US Military Academy, and has also attended leadership and management development at Denver, Colorado. As the leader of Vipond he has been coaching younger members of staff and has been quite successful in developing a number of them towards their potential. The turnover of staff in the company is virtually zero.

He would be very interested in finding out more about both programmes and recognises the need to develop himself and others in the business. The construction business is fast-paced and competitive and businesses need to be good at what they do. He believes that the people in the business are its biggest asset and currently there is a major talent shortage.

Fiona Graham, Inverclyde Biologicals

Ms Graham has previously attended two leadership programmes. The first was a one day privately run course and the other an evening class (one evening per week) spread over two months and delivered on behalf of North Lanarkshire Council. She was unsure of costs but found the programmes beneficial. She was not interested in the SEL supported programmes and was unsure if her SEL account manager had informed her of the courses. If she was to consider a programme it would have to be educational and help to further the business. The best way of informing her of courses is through "fliers," which is how she found out about her previous leadership courses.

Jim Murray, Aperta Ltd

Mr Murray has undertaken leadership training with a previous employer, Unisys "a long time ago." This was an internal programme and he found it useful as it gave him a better appreciation of how to achieve his goals.

He would be interested in finding out more about the SEL leadership programmes and believes regular and short sessions would be the best format. To sell the benefits of the programmes to him he would like to hear feedback from previous participants. He has not previously been contacted by SEL about this and is best contacted via e-mail at j.murray@aperta.com

James McGeechan, McAlpine Business Services

Mr McGeechan has taken part in an internal management team event aimed at promoting leadership. This was a five day programme which helped to develop competencies and personal development plans.

He would be interested in hearing more about the SEL supported leadership programmes and saw short sessions as his preferred format – but he was uncertain about what the programmes would need to deliver for him to commit. He is unsure if he has been approached about the programmes by SEL and the best way to interest him is to give him information via phone, e-mail, booklet, meeting or refer him to a web site.

John Nicholls, Photonic Materials

Mr Nicholls is a past participant of the SEL entrepreneurship programme which he learned about through SEL and found it “excellent.” It allowed him to confirm his views, learn tricks and build on his knowledge.

He is aware of the SEL supported leadership programmes having been informed last year about them by SEL but he is not interested in them as he is doing something already. The features of a good programme for him are practicality and good presenters with business and life experience. The best way of letting him know about future programmes is through mailshots – targeting the correct person.

Tom Hughes, Primary Playcare

Mr Hughes was a participant on the emerging execs programme with Kids Klub Direct. He saw it as a condensed version of the MSc and was put through the programme after the Directors had attended the MSc. He saw it as a valuable tool in his own personal development and would like to hear more about other SEL supported leadership programmes. The features he would be looking for in any further programmes would be continued self-development and transferability to the workplace. The best way of making him aware of these types of programmes is by post.

Tony Boswell, Retronix Ltd

Mr Boswell has been through the Scottish Enterprise supported globalisation programme. He did not feel this programme made a significant difference to the company as he felt there was a “mismatch of need”.

He would be interested in finding out more on SEL supported leadership programmes particularly if they were designed as regular short sessions with a recognised schedule and carried strong recommendations from other companies. He is unsure if SEL have contacted him before about leadership programmes but what he would be looking for would be overall recommendations and a wide variety of topics. The best way of letting

LEC Responses

SE Edinburgh and Lothian

SE Edinburgh and Lothian deliver one leadership programme under the title “Leadership for Growth” and is delivered by a company called First People Consulting. There is no cost to companies and the total SE Edinburgh and Lothian budget is £20k per programme to take 10-12 companies through it. The programme takes 6 months to complete and comprises modules covering:

- leadership role
- leading and managing yourself
- leading strategy
- managing business performance
- leading people
- leading your management team

Each company also receive 3 days one-to-one “advisory” time from the consultants to support the learning process and ensure transfer back into the business. The companies entering this programme currently come through the Investors in People route. SE Edinburgh and Lothian recently undertook an evaluation of their leadership programme and they are satisfied with the results that the programme has achieved.

They would look at the MSc in Leadership but cost would be a big issue for them. They would have to be convinced and satisfied that the MSc was delivering value for money and delivering results way beyond their own current offering to companies. If the MSc in Leadership is the only qualification of its kind, SE Edinburgh and Lothian would consider promoting it – even if they did not elect to subsidise entry to it.

SE Fife

SE Fife runs a leadership programme that they find successful with a seventh cohort about to start. Around sixty business leaders have been through the programme to date. One of the side outcomes from this programme has been the drive to maintain strong networks. This has been supported by SE Fife through setting up and providing administration for a Network Forum that now meets quarterly. Interestingly the network has not grown stronger as it has grown in size and SE Fife is now reviewing its involvement and support.

SE Fife showed a great deal of interest in the MSc in Leadership – “if it’s working we want to know more about it and take it into consideration – the price is a big down-side however”.

SE Forth Valley

SE Forth Valley does not presently support a leadership development programme. In the recent past they had a practical, modularised programme delivered by Matrix Management Consultants but this is no longer supported. If a client managed company now needs some form of leadership development support, SE Forth Valley would seek to provide this on an individual company basis. The only leadership programme currently being considered is for start-up companies in the biotech sector, and this is being looked at on a Scotland wide basis.

SE Forth Valley would be interested in hearing more about any successful programme but did not express any particular interest in the MSc in Leadership. They were a bit dubious about the value of an academic approach to leadership. They anticipate waiting until the findings of the productisation initiative are clear before committing to any new programmes.

SE Tayside

SE Tayside does not operate any leadership programmes but they do focus on leadership as a key area for support for account managed companies. If they have a company that would benefit from a leadership programme, then SE Tayside would use consultants to develop a bespoke programme. This support is viewed as leadership for the whole company as opposed to purely personal development for the MD or CEO. This type of support is only targeted at account-managed companies.

SE Tayside would be very interested in seeing the evaluation of SEL's involvement with the MSc in Leadership. The instant drawback they saw was that it was very expensive to put one person through the programme. An observation was that this type of programme could lead to the CEO outgrowing the company by failing to have the management team on the same wavelength as them. They were interested in the concept of the emerging executive programme and felt that this was potentially a more practical and beneficial way forward. There was some scepticism on the value of this type of qualification and mention was made about companies supporting high performing staff through MBA's as a bonus rather than explicitly for the long-term benefit of the business.

SE Grampian

SE Grampian currently does not offer any leadership development programmes but has in the past. They recently offered a modularised programme of leadership workshops but did not get enough companies interested and the programme did not run. The reasons for this seem to revolve around expense with £750 (50% of programme cost) being too much for companies to bite.

The Grampian view is that there is a need for leadership development but the demand from companies is not there. They had previously looked at the MSc in Leadership but felt that £20,000 was too high for their budget to accommodate. In the interests of joint working they would be interested in hearing the results of this evaluation but expressed doubt over their capacity to fund places in the future. They did not feel they would market the MSc in Leadership, as this would be a matter for central marketing at SE National.

SE Ayrshire

SE Ayrshire currently offer two leadership development programmes, one aimed at developing leaders of businesses – Leadership Development programme and one at developing emerging managers – Developing Managers of the Future. The programmes offer no form of accreditation. The programmes have been running for 2 years and the leadership development programme has had on average 15 participants per year, with the developing managers of the future having had a total of 40 participants.

They believe their programmes meet the needs of most of their local companies and that few would be prepared to invest in the MSc Corporate Leadership. They feel that they would struggle to influence their companies to participate in the programmes, however if they became network products that would make it easier for them. They believe there could be a potential of up to 6 companies in Ayrshire that could be interested in the MSc programme.

SE Dumfries and Galloway

Ros Allan from SE Dumfries and Galloway was a member of the Network Leadership group and as such was tasked with piloting three different leadership programmes last year in Borders, Grampian and Dumfries and Galloway. One of the programmes involved the Leadership Trust. She now feels that things have moved on and is now looking at Director development through the Institute of Directors.

It is felt that the profile of current leaders in Dumfries and Galloway is such that there is little potential for change. The focus is now on the less mature and less experienced 'up and coming' managers and they are looking at the Lean Management as a means of developing these people.

SE Dumfries and Galloway are very interested in obtaining information about the MSc and Emerging Execs and would like to obtain a copy of the final evaluation report.

They appear to be very interested in the two programmes but would wish to explore the possibility of hosting them in local venues or delivering them through multi-media. This is because of the apparent unwillingness of businesses to travel.

SE Dunbartonshire

SE Dunbartonshire generally 'piggy back' onto programmes and initiatives being run by the larger LECs, e.g. Renfrewshire, Lanarkshire. They have supported companies on the Future Leaders programme that is aimed at emerging leaders in small companies. This has been considered quite successful.

Interview Process

Process

To get as good a response as possible and to gain the maximum from interviews the following process was followed:

- a letter went out from SEL to each individual who had been supported by them on the programme informing them of this evaluation and urging their involvement.
- appointments for face-to-face interviews were arranged by telephone.
- an e-mail questionnaire with “trigger” questions attached was sent out to get interviewees thinking about the subject prior to the interview.
- a structured interview was held on the business premises of the participant. There was one exception to this where a telephone interview was held with a participant who was now working in America.
- a transcript of the interview notes was typed up and is being sent to each participant.

Trigger Questions

The trigger questions pro-forma included:

Thinking Beforehand

Please rate views on the following

1=agree; 5= disagree

	1	2	3	4	5
I now act more like a leader	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The difference in me is rubbing off on staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board and staff notice the change in me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I expect my company will be more profitable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The programme exceeded my expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The programme was good value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Interviews

Eighteen interviews were conducted with the MSc participants out of a total of twenty three. Those not interviewed were due to:

- inability to contact them (4)
- they have left the company (1)

Thirteen interviews were conducted with the Emerging Exec participants, out of a total of nineteen. Those not interviewed was due to:

- moved to another office (1)
- left company (4)
- unable to contact (1)

Each interview used the following interview pro-forma, to ensure consistency:

Leadership questionnaire

Name:.....

Date:.....

How were you introduced to the Leadership programme?

(e.g. by Account Manager; Action Plan arising from Business Development Review; another company told us about it etc....)

What was your motivation for participation?

(under pressure from competitors; realised we had to change; always happy to benefit from subsidised support etc)

What benefits / changes in behaviour do you feel you gained?

How do you feel it has helped you in your role?

How has that helped in the business – what consequent practical changes have there been in the business's operations

How has it helped you with creating and communicating your vision?

How has it helped you with decision making?

How has it helped you with leading your team?

How has it helped you with motivating your people (achieve better performance)?

How has it helped you with stimulate and encourage new ideas to overcome problems and achieve results?

What have you done to make sure the changes stick? What steps (if any) have been taken to ensure the sustainability of change?

How much has your firm invested in implementing action through the MSc?

What significant barriers to changes in practice have there been?

(Management culture/attitudes, Staff culture/attitudes, lack of support inside the company, lack of time/pressure of other work etc....)

If I was to ask any of your team about how you've changed, what do you think they would tell me?

Any other benefits or changes?