Leading in volatile times: learning from leadership beyond the Education and Training Sector

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Executive Summary

Leaders in the post-16 Education and Training Sector (ETS) have always had to work flexibly and manage change, but it is arguable that the current environment is increasingly volatile due to multiple changes in funding and policy as well as wider economic and societal shifts. This makes the importance of effective leadership – both of individual organisations and of the wider system - all the more critical.

This report captures the learning from a review of the ways in which private, voluntary and public sector organisations are addressing current leadership challenges, based on a literature review and interviews with senior leaders and key thinkers from a range of fields.

The findings are structured to address three key challenges faced by ETS leaders:

1. how to lead effective organisations in an increasingly volatile environment
2. how to maintain a strong organisational brand whilst also working as a system leader on behalf of learners and the local economy
3. how to lead the core business (i.e. learning, for post-16 leaders) in particular by recruiting, retaining and developing diverse talent.

Leading effective organisations in volatile environments

Key findings from the literature:

- There is no one size fits all leadership approach: most leaders display a range of qualities and skills and adapt these to their context, so being attuned to the needs of your context is key.
- Clearly articulated individual and organisational values are key for securing staff engagement and successful change: ‘values are as important as vision’.
- While formal leadership roles are important, leadership and distributed accountability are needed throughout an organisation.
- Middle leaders and managers hold critical roles for engaging staff in change, securing consistently good performance and generating creative and adaptable solutions, but they are less likely to be developed and supported in this role than their more senior peers.

Key messages from the interviews:

- Leaders must scan the horizon and understand wider geo-political shifts so they can position their organisation to respond.
- Austerity requires leaders to rethink their business models to survive: simply ‘following the money’ can be a sure fire route to ‘losing your way’.
- Leaders must recognise when to act boldly and ‘always, always focus on the client’.
- Leaders must ‘manage the politics’ by balancing the need to respond to policy changes with the needs of their organisation: the key is to avoid reactive compliance.
- Less money often means finding new ways to collaborate to achieve your aims. The skills of coalition building and being able to “get things done in a context where there are diverse and sometimes competing interests” are increasingly important.
- New technologies create new pressures as well as new opportunities: ‘we are living in a digital coliseum.’
- Whilst remaining outward facing is critical, that cannot be at the expense of a strong organisational focus. In particular leaders need to be able to shape a clear vision and narrative, based on values:
“Remind people why we do what we do: tell a compelling story”. In shaping the vision leaders need to draw on a range of perspectives in order to maximise engagement and get the best outcomes.

- Whilst the timetable for change may be urgent, leaders need patience and empathy to really understand the culture of the organisation and to help staff understand and adapt.
- Leaders need a good understanding of institutional design: the models that will give them the expertise they need, for example by using associates and volunteers.
- “Your mindset needs to be one of quality and risk”. Too often the public sector is risk averse. Ultimately, you develop your judgement on risk by making mistakes. Leaders who innovate a lot will encounter many failures. The key is turning those mistakes and failures into learning through reflection and a no-blame culture.

Maintaining a strong organisational brand

Key messages from the literature:

- Develop a sophisticated understanding of existing and potential customers, in particular to understand what is most important to them so you can differentiate your products and services.
- Be clear on where you will be excellent and where you will be ‘good enough’. Classically, there are three value disciplines to choose between: having the best quality products and services, the best level of customer intimacy or the most competitive price based on operational effectiveness.
- Be distinctive: for example, Harvard has its ‘case method’ approach while the Open University has pioneered ‘supported self-study’ through distance learning.
- Most successful companies appear to focus on differentiators other than price and to prioritise increasing revenues over cutting costs.

Key messages from the interviews:

- The importance of brand distinctiveness and focussing on being excellent in one area came through strongly in the interviews: “What’s your calling card of excellence?”
- This might mean developing particular skills across your team, for example in market analysis or stakeholder and client management.

Working as a system leader on behalf of all learners and the local economy

Key messages from the literature

- System leaders in the schools sector are generally seen as leaders who work beyond their own context to support other schools that are struggling, although this is now broadening given the need for all schools to form deep partnerships in a self-improving system.
- Partnership and collaboration are vulnerable strategies, always prey to competitive pressures: forming and maintaining deep partnerships is a significant challenge for leaders.
- Across wider public services, system leadership (also known as ‘adaptive’, ‘resourceful’ and ‘intelligent’ leadership) is used to describe efforts to align different services in order to achieve holistic outcomes for disparate, often marginalised, communities and users.
• System leaders are often focussed on addressing ‘wicked’ issues (for example, youth unemployment) which have neither agreed causes nor known solutions (as opposed to ‘tame’ problems, which have been solved before and require more managerial approaches).
• Effective leaders in these contexts display all of the skills and qualities identified as essential for leaders everywhere, but with heightened requirements, for example in terms of political and consensus building skills and their preparedness to work with ambiguity and find innovative solutions.
• Other skills and qualities include: a capacity for whole-systems thinking; an ability to bring together and align practice from different sectors and organisational levels (‘leadership beyond authority’); and an ability to develop models for organisational learning so that effective practice is shared. Above all, system leaders are able to secure shared trust and commitment between partners, thereby maximising ‘collaborative advantage’.

Key messages from the interviews:

• System leadership was not a phrase used by leaders in the private or voluntary sector, although many of the concepts are recognisable.
• The skills and qualities mentioned were largely similar to those needed for the leadership of change: for example the need to look outwards, to develop a more coaching and facilitative style, and to work in partnership.
• One interviewee captured it simply: “Partnership working is a way of doing business – agree the protocols, agree the boundaries and get on with it.”

Leading the core business

Key findings from the literature:

• There is strong evidence that leaders in schools can impact positively on student outcomes, in particular through how they promote and participate in the professional development of staff (Learning centred leadership). High performing schools have a consistent focus on professional development and learning for staff.
• There is evidence that traditional models of Continuous Professional Development (CPD) which involve attending external courses and ‘sharing good practice’ have limited effect. Therefore some schools are moving towards structured peer learning focussed on improving practice (Joint Practice Development) and the application of rigorous evidence.
• Evidence from Further Education is more limited, but indicates that learning centred leadership is similarly effective, although the importance of facilitating structures and processes for staff moving from industry into teaching roles is emphasised.
Key messages from the interviews:

- Maintaining a focus on the core business was central for the interviewees: “If you don’t take personal responsibility you will sink”.
- This meant agreeing clear accountabilities and strong management processes, with leaders able to pick up and focus in on detail when there were issues, whilst also asking the right questions when the issues went beyond their immediate skillset.
- One interviewee noted the importance of getting shared ownership of issues: “If you want a collective approach you have to educate collectively, not as individuals”.
- Several commented on the need for both technical and generic leadership and management skills. This issue can come to fore where leaders transfer between sectors, which is only rarely successful. Such failures were seen as being as much about an inability to understand the culture of the new sector as the specifics of the business.

Leading for diversity

Key findings from the literature:

- Leadership for diversity must be led from the top, with commitment and active engagement from the senior team, generally reflecting an inclusive set of values.
- Other successful practices include: maintaining sensitivity to cultural differences, mentoring, targeted recruitment and promotion strategies, ‘champions’ for diversity within the organisation, and setting and monitoring diversity targets. Flexibility in working arrangements is also identified as important. Targeted leadership development programmes may also be required.
- Pre-existing male-dominated cultures and the manner in which decisions are made by the senior team can prevent full participation and involvement from female employees in Further Education Colleges.

Key messages from the interviews:

- None of the interviewees felt that their organisations had achieved success on diversity issues.
- Several have mainstreamed diversity, seeing it as service-improvement issue rather than a purely ethical one.
- The importance of recruitment practices was key for several: “Hire for values rather than competencies”.
- Many also highlighted the importance of senior leadership engagement in this area: for example by being specific about which aspects of diversity you need to tackle next and taking time to look at the data and challenge teams on what is or isn’t working.
Talent management and leadership development

- There are common issues facing leaders which make generic leadership and management learning useful. Areas identified include: financial planning, entrepreneurship, decision making based on use of data, human resources strategy and customer orientation.
- Recent thinking and practice on leadership development has been away from classroom-based programmes and towards more context-based learning coupled with opportunities to reflect and work with peers, supported by a coach or facilitator.
- The balance between individual and organisational development needs to be considered, although the two are not mutually exclusive.
- Some researchers argue that leadership development provision has failed to develop the kinds of leadership required for modern organisations and that development tasks need to become more open ended, with a focus on innovation.
- Many organisations are moving towards ‘grow your own’ in house approaches to leadership development. These can be more or less formal in design, but the aim is to identify and develop talented leaders, not least by giving them real opportunities to lead. Identifying potential in a fair and systematic way can be challenging, since you can only observe current performance.
- A number of studies indicate that provision for middle leaders is insufficient given their importance for organisational success.
- Evaluating leadership development in terms of impact beyond the individual is challenging, although some studies have shown how this can be done.

Key messages from the interviews

- The interviewees placed a very high priority on recruiting and developing talent.
- They were able to articulate very clearly what kinds of talent they were looking for and how they would recognise it – ‘invest in those brighter than yourself’
- Several described extensive in house development programmes, one lasting 10-15 years. All of these involved a range of stretching opportunities combined with structured support. Approaches included: apprenticeships, networking opportunities, mentors and giving permission for failure in order to develop ‘practical wisdom’.
- Rapid and focussed feedback on performance coupled with a range of stretching opportunities (‘design for discomfort and stretch’) came across as the most important elements of this provision.
- The interviewees agreed on the need to watch for under-performance and address it rapidly, making high expectations part and parcel of the culture.
Conclusion

The overarching messages for ETS leaders from this study include: know yourself, your values and what you’d resign for; know your team and the organisational culture; know your business and your distinctive position in a globalised and changing world; engage staff in the change process and invite contrasting perspectives; focus on the core business and embedding change, but remain outward facing and in touch with the needs of your clients; invest time in modelling and creating an inclusive, aspirational learning culture; be bold and rethink how you work when necessary, including by forming new partnerships, recognising that you and others will make mistakes if you are to innovate; distribute and grow leadership at every level, particularly middle leadership.

One interviewee said that the Further Education sector needs to see itself as a ‘turnaround sector’: it looks ‘dated and declining’ and needs to consider bringing in talent from other sectors to galvanise improvement. This may not be a fair or fully informed assessment, and it clearly relates to FE rather than the whole sector, but we feel it provides an important challenge for leaders and sector bodies to consider as they plan for the future.

Finally, the conclusion considers two final questions:

- whether ETS leadership differs from leadership in other sectors? The messages from the literature and leaders in other sectors do appear to resonate with the challenges facing ETS leaders identified in stage 1 of this study, although there may be differences such as the extent to which leadership is distributed across all levels of ETS organisations.
- whether the needs of ETS leadership have moved on since the LSIS report was published in 2010? In the main, it appears that the leadership skills and qualities required today are not fundamentally different from those required in 2010. Where there are differences they may be more in the weight of emphasis: for example, the need for partnership working and system leadership to develop innovative, sometimes collective, solutions appears to have grown, while the weight of evidence in terms of why and how leaders should prioritise learning-centred leadership focused on recruiting and developing talented staff and a learning culture has also developed.
Introduction

1.1 The focus and approach for this review

This report captures the learning from an initial evidence review of the ways in which private, voluntary and public sector organisations are:

- developing innovative and effective approaches to leadership and management
- tackling issues around leadership and management that are similar to those faced by the post-16 Education and Training Sector (ETS)
- developing innovative solutions to these issues that have potential to be transferable to the post-16 Education and Training Sector, and
- growing the next generation of leaders through talent management and leadership development.

The review was commissioned by the Education and Training Foundation (ETF) and was undertaken between January and March 2014 by a team drawn from the London Centre for Leadership in Learning and the Centre for post-14 Research and Innovation, both of which are based at the Institute of Education, University of London. This project is one of a suite of reviews and consultations commissioned by the ETF to inform its work aimed at shaping effective leadership responses to current challenges with the post-16 Education and Training Sector.

The findings in this report are based on three strands of work (with further details on the methodology in Annex A):

- A rapid assessment of the challenges and opportunities facing leaders and managers in the post-16 education and training sector
- A literature review which brought together evidence and key ideas on effective leadership and leadership development from research and wider sources beyond education, with a focus on how those sectors are addressing the challenges identified in strand one above
- Interviews with Chairs, Chief Executives, Senior Partners, Human Resources Directors, leadership development providers and academics from a range of sectors to understand current approaches to leadership and leadership development, in particular where they relate to the issues highlighted in strand one above.

Inevitably, there are limitations in a rapid review of this nature. For example, although we talk about leadership and management needing to be distributed throughout organisations in this study, our interviews were limited to single senior leaders rather than representative samples drawn from across their organisations. That said, each of the leaders we interviewed drew on examples that reflected wider leadership across their organisations.

We are extremely grateful to the 14 senior leaders and thinkers who gave up their time to be interviewed for this study. They were:

Private sector:
- Sir Michael Barber, Chief Education Strategist, Pearson – a global education company that includes the Financial Times Group and Penguin Random House
- Keith Leslie, Partner, Deloitte – a global audit, consulting, financial advisory, risk management and tax services company
- Vanni Treeves, Chair, and Dominic Schofield, Senior Client Partner, Korn Ferry – a global company that provides leadership and talent consulting services to businesses and individuals

Voluntary sector
- Nigel Chapman, Chief Executive, Plan International - one of the oldest and largest children’s development organisations in the world
- Rajinder Mann, Chief Executive, Network for Black Professionals – a not-for-profit organisation committed to supporting Black, Asian and Minority Ethnic (BAME) professionals to achieve their full potential
- Hilary Emery, Chief Executive, National Children’s Bureau - a charity that works to improve the lives of children and young people, especially the most vulnerable

Public sector
- Baron Bichard, former Director of the Institute for Government and former Permanent Secretary, Department for Education and Employment - a thinktank and government department respectively
- Joe Simpson, Director, Leadership Centre for Local Government – a charity that works to support, promote and improve local government.
- Jan Sobieraj, Managing Director, NHS Leadership Academy - a centre of excellence on leadership development owned by the NHS
- Janet Durbin, Director of Human Resources, Department for Education – a government department

Key thinkers on leadership and leadership development
- Keith Grint, Professor of Public Leadership and Management, Warwick Business School
- Kim James, Professor of Executive Learning, Director of Faculty Development, Cranfield University School of Management
- Jean Hartley, Professor of Public Leadership and Management, Open University Business School

1.2 Structure of the report

This report is structured in four main chapters following this introduction.

The first sets the context by summarising the key challenges for leaders in the education and training sector and some of the leadership priorities that emerge. It also summarises the key findings from a 2010 report on leadership in the education and training sector for the Learning and Skills Improvement Service as a benchmark for the findings in this study.

The following three chapters address key themes that emerged from the project:

- how leaders and managers in other sectors lead effective organisations in increasingly volatile environments
- how leaders maintain strong organisational brands whilst also working as system leaders on behalf of learners and the local economy
- how leaders lead the core business (ie learning, for post-16 leaders) in particular by recruiting, retaining and developing diverse talent.
Each chapter includes key findings from the literature and from the interviews, followed by a summary of key innovations identified from other sectors and a final summary of the implications for leaders in the Education and Training Sector.

A final, concluding chapter summarises and reflects on the findings, in particular the extent to which the key skills and qualities required of ETS leaders today have evolved since the 2010 LSIS report.
2. Leadership and management challenges facing leaders in the Education and Training Sector

2.1 Overview

This section provides a brief overview of the leadership and management challenges facing leaders in the Education and Training Sector (ETS), since these provide an important context for the wider study. It goes on to identify three overarching challenges for ETS leaders, which inform the overall focus of this report. It concludes by summarising the key skills and qualities required by ETS leaders that were identified through research for LSIS in 2010, which provide a benchmark for the findings in this report.

2.2 Priorities, challenges and opportunities for ETS leaders

The leadership challenges and opportunities identified in strand one of the research will be familiar to leaders working in the sector, so we have only included the headlines here. A more detailed outline of these challenges is included in Annex A. They include:

- A challenging economic context requiring changes to provision and concerns about viability for many
- Ongoing debates about the role and status of the education and training sector
- Challenges and opportunities for leading learning, in particular to meet the needs of new audiences and new technologies
- Changing curricula and qualifications creating a turbulent landscape for providers and learners
- Managing competition and collaboration to achieve both institutional success and coherent provision for learners and employers across local systems
- Building capacity, enhancing professionalism and designing effective professional learning to address the challenges
- Managing performance and accountability

2.3 Implications for ETS leaders

Clearly, the challenges for ETS leaders and the appropriate leadership responses will differ by context, with significant differences by type and size of provider. Nevertheless, some overarching challenges are apparent, including:

- **How to lead effective organisations in volatile environments**: significant policy and funding changes combined with increased provider diversity and wider economic fluctuations create the need for highly responsive organisations that can both grow and contract in response to new opportunities whilst maintaining a focus on quality. This requires a strongly strategic approach coupled with sound change management.

- **How to build and maintain a strong organisational brand whilst working as a system leader on behalf of learners and the local economy**: as the sector is pulled in different directions (for example between high end and remedial skills) and as the increasing use of loans and provider diversity create a more competitive marketplace, leaders need to think hard about how to distinguish and convey their organisational strengths. At the same time, there are pressures and opportunities to shape a more collective response at both local and national levels through collaboration and system leadership. The experience of both high performing school systems and world-class business environments, such as
Silicon Valley, indicate that both collaboration and competition are needed for whole system improvement.

- **How to lead the core business of learning by recruiting, retaining and developing diverse talent:** as in every learning context, leaders must prioritise securing and developing the best possible quality of staff if they are to improve outcomes and meet the rising accountability bar. This has been a perennial challenge for a sector that needs credible industry experts who can also teach, but is particularly challenging given changing curriculum and assessment demands. The role of middle leaders in this is key, but senior leaders will also need to consider issues ranging from recruitment, to professional learning pathways, to senior succession strategies. Equally importantly organisations will need to address the demands of a more diverse workforce which reflects the communities that providers serve through the development of more inclusive cultures and practices.

### 2.4 What were the key skills and qualities required by ETS leaders in 2010?

In 2010 the Education and Training Foundation’s predecessor, the Learning and Skills Improvement Service (Institute for Employment Studies, the Learning and Skills Network and The Work Foundation, 2010) published a study that explored leadership in times of recession. The research identified a set of key leadership skills required in the ETS sector at that time (see Box 1). In order to build on the LSIS research this project has focussed mainly on research published since 2010.

<table>
<thead>
<tr>
<th>Box 1: Major skills needs identified as being important for leaders in the Education and Skills sector through research in 2010:</th>
</tr>
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<tbody>
<tr>
<td><strong>Strategic thinking and planning</strong> – involving the adoption of a values-based mindset with a commitment to a transformative and distributive leadership model, where appropriate.</td>
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<tr>
<td><strong>Partnership working</strong> with other learning providers, including those which may be competitors, and especially local authorities – involving negotiation and influencing skills.</td>
</tr>
<tr>
<td><strong>Change management</strong> skills including both effective project management and <strong>staff engagement</strong> skills covering empathy, persuasion and resilience to ‘take the organisation with you’.</td>
</tr>
<tr>
<td><strong>Performance management</strong> to support talent management of teams and individuals as well as manage poor performance, relying on communication and motivation skills.</td>
</tr>
<tr>
<td>General <strong>commercial awareness</strong> and <strong>entrepreneurial skills</strong> to ensure organisational viability in a time of reduced funding – this involves the ability to spot opportunities to develop new provision or deliver existing learning and innovation differently, using skills in creativity and innovation.</td>
</tr>
<tr>
<td><strong>Financial management</strong> skills – employing different sources of funding creatively to deliver provision using a mixture of co-investment from individual learners and employers as well as managing budgets and resources effectively at all organisational levels.</td>
</tr>
<tr>
<td><strong>Procurement/commissioning</strong> skills requiring capacities in negotiation, understanding of how to get the best value out of contracts through legal knowledge and how to use partnerships effectively for commissioning.</td>
</tr>
<tr>
<td><strong>Fostering equality and diversity</strong> of achievement for learners and staff – requiring tenacity to remain committed to the agenda in the face of possibly contradictory pressures.</td>
</tr>
<tr>
<td><strong>Personal effectiveness</strong> and self-awareness – including the ability to recognise the impact of behaviour on others, modifying it where needed and working under pressure.</td>
</tr>
<tr>
<td>Adapted from Institute for Employment Studies, the Learning and Skills Network and The Work Foundation, 2010, pp 5-6.</td>
</tr>
</tbody>
</table>
3. How leaders lead effective organisations in volatile environments

3.1 Overview

The literature review and interviews identified the priorities, challenges and opportunities facing leaders in other sectors. Many of these have parallels with the issues facing leaders in the Education and Training Sector, which were outlined in the Introduction: put simply, leaders in every sector face increasingly volatile operating environments.

We know from a range of studies that effective leadership and management are key to achieving success and managing complex change across different contexts. Therefore, the key focus for this section is what does effective leadership and management look like for leaders in other sectors? How are they adapting their leadership to address the needs of volatile environments?

3.2 What the literature says

3.2.1 Leadership and management in teams and organisations

The Kings Fund (2011) defines leadership as ‘motivating a group of people to achieve a common goal’ (p12), while the NHS Leadership Academy (2014) states that ‘not everyone is necessarily a leader, but everyone can contribute to the leadership process.’

The importance of staff engagement to the success of an organisation has been repeatedly emphasised in research in the NHS (The Kings Fund, 2012) and business sectors (Rayton et al., 2012), with leadership within teams crucial to securing this (MacLeod and Clarke, 2009).

While leadership at all levels may be important, the role of management systems and processes cannot be neglected: as Southworth notes in relation to schools - ‘Too much management and a school may run smoothly on the spot. Too much leadership and it may be running all over the place and never smoothly’ (Southworth, 2005, p83). Significant management areas of focus include: staff performance, development and reward, budgeting and the use of organisational data and information (Howard and Kings, 2010; Ofsted, 2012; Hargreaves and Harris, 2011; DBIS, 2012; Welbourn et al, 2012).

The literature is consistent in identifying the importance of formal leadership roles, such as the principal and their senior team and middle managers and team leaders (for example, The Kings Fund, 2012).

While formal roles are important, many observers note the dangers of focussing too much on individual leaders. For example, Deborah Ancona and her colleagues state:

"Only when leaders come to see themselves as incomplete—as having both strengths and weaknesses—will they be able to make up for their missing skills by relying on others." (Harvard Business Review, February 2007).

The role of the leadership team and distributed leadership are therefore critical. Bush et al’s (2012) research on high-performing senior teams in schools noted the essential features of shared values and objectives, mutual understanding and cooperative working. Recent research for the Department for Education (Eddy Spicer et al, forthcoming) shows that some schools have recognised the shared
leadership of the senior team in their performance management arrangements, with the leadership team being appraised by governors as a whole for its impact on the school.

Middle managers have been considered a neglected group, with research, for example by the Chartered Institute of Personnel Development (CIPD) (2013b) showing that it is line managers who are most significant in securing employee engagement. They do this through establishing a trusting relationship between the individual employee and the organisation as a whole and in demonstrating the relevance of organisational norms and policies on a day-to-day basis. In the education sector, the contribution of middle leaders to the quality of learning and teaching is recognised as critical, together with concerns about the quality of middle leadership in key subject areas (Earley et al, 2012).

However the CIPD also note that middle leaders are less likely to have training and support for the role than their senior peers. They are also more likely to prioritise targets over the well-being of their team and the people-centred approach which research shows is most effective.

3.2.2 Leadership that makes a difference

The LSIS report on leadership (2010) cites a number of studies that demonstrate the importance of effective leadership and management for organisational success across a range of sectors. More recently, a Department of Business Innovation and Skills review (Department of Business Innovation and Skills, 2012 - the DBIS report) draws on a range of evidence to argue that leadership is a key factor in the success of any organisation, with an impact on performance that is directly measurable, in terms of productivity, growth and profitability. Whilst the measures of success are different for public service delivery organisations, the evidence base on the importance of leadership is similarly strong (Robinson, 2008; Sammons, Day et al, 2010).

Studies of leadership in the education sector are moving away from grouping leadership behaviours as, for example, ‘transactional’, ‘transformational’ or ‘instructional’, to the investigation of the impact of discrete leadership behaviours (Leithwood and Sun, 2012), which encompass different behaviours in response to changing circumstances. Examples include the case studies of improving schools reported in Day et al (2011) and the ‘blended’ leadership preferred by staff in the post-16 sector noted by Collinson and Collinson (2009).

Research from different sectors concurs that leadership should be sensitive to the context in which it operates and the problems that need to be addressed (Earley et al, 2012; Tamkin et al, 2010; Pendleton and Furnham, 2011; The Kings Fund, 2011). In practice, this sensitivity can work both ways: leaders can be influenced negatively by the context of their work and the ways in which they are held accountable. For example, Pearson et al (2011) found that social care leaders were more likely to be directive than those in the business sector, while The Kings Fund (2012) showed that NHS leaders tend to a pace-setting approach focused on targets in preference to one focused on engagement.

The DBIS report’s summary of the key skills and qualities required by leaders in business is compared with those required in the education and skills sector from the LSIS report in Box 2. Not surprisingly, there are many areas of overlap between the two reports, in particular around personal leadership, strategic and delivery skills and people management. This overlap is apparent in other reviews which have informed similar models for leaders in other sectors (eg Benington and Hartley, 2009; The Kings Fund, 2011, 2012; Storey and Holti, 2013; NHS Leadership Academy, 2014; National Skills Academy for Social Care, 2014).

Although these authors differ in their terminology and in the number of constituent elements of the leadership models they provide, they are largely consistent in the ways they define effective leadership. Effective people management skills are seen as essential to ensure a culture which engages staff and enables them to contribute
to a shared vision, with effective administrative, budgeting and financial planning skills to ensure that the necessary resources are in place. Similarly, leaders at all levels need not only to ensure that operational tasks are completed, but must be aware of and plan for the longer term, assessing and managing risk and supporting innovation and creativity appropriately.

**Box 2: Key leadership skills and qualities in the business and education and skills sectors**

<table>
<thead>
<tr>
<th>DBIS core skills</th>
<th>LSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Providing effective leadership</strong></td>
<td><strong>Personal effectiveness</strong></td>
</tr>
<tr>
<td>Clear vision</td>
<td>Motivating others</td>
</tr>
<tr>
<td>Able to inspire others</td>
<td>Impact and influence on others</td>
</tr>
<tr>
<td>Providing a culture and relationships for success</td>
<td>Self-awareness and self-development</td>
</tr>
<tr>
<td>Engaging staff to work collaboratively</td>
<td>Re-organisation</td>
</tr>
<tr>
<td>Developing their leadership capability</td>
<td>Resilience</td>
</tr>
<tr>
<td>Face problems and propose innovative and sometimes difficult solutions</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy and planning</strong></td>
<td><strong>Strategic thinking</strong></td>
</tr>
<tr>
<td>Manage operational needs while simultaneously planning for the future</td>
<td><strong>Delivering performance</strong></td>
</tr>
<tr>
<td>Continuously seek out ways to improve</td>
<td>Managing service quality</td>
</tr>
<tr>
<td></td>
<td>Customer focus and customer diversity</td>
</tr>
<tr>
<td></td>
<td>Curriculum design and delivery</td>
</tr>
<tr>
<td><strong>People management</strong></td>
<td><strong>Working with others</strong></td>
</tr>
<tr>
<td>Create a learning culture</td>
<td>Developing others</td>
</tr>
<tr>
<td>Manage performance and recognise achievement</td>
<td>Managing individual and team performance</td>
</tr>
<tr>
<td>Communicate clearly</td>
<td>Communication</td>
</tr>
<tr>
<td></td>
<td>Managing conflict</td>
</tr>
<tr>
<td><strong>Budgeting and financial planning</strong></td>
<td><strong>Managing resources</strong></td>
</tr>
<tr>
<td>Planning and controlling financial resources to ensure that goals are met</td>
<td></td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td><strong>Managing risk/governance</strong></td>
</tr>
<tr>
<td>Assess risk and balance appropriately with opportunities</td>
<td>Commercial entrepreneurial</td>
</tr>
<tr>
<td><strong>Fostering innovation and creativity</strong></td>
<td><strong>Innovative, creative</strong></td>
</tr>
<tr>
<td>Foster innovation</td>
<td></td>
</tr>
<tr>
<td>Encourage diversity as an essential element of innovation and creativity</td>
<td></td>
</tr>
<tr>
<td><strong>Partnership working</strong></td>
<td><strong>Working with partners</strong></td>
</tr>
<tr>
<td>Ability to build alliances to meet strategic goals</td>
<td></td>
</tr>
<tr>
<td>Negotiation skills</td>
<td></td>
</tr>
<tr>
<td>Political skills</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from Institute for Employment Studies, the Learning and Skills Network and the Work Foundation, 2010 and Department of Business Innovation and Skills, 2012.
What may be most interesting and illuminating for ETS leaders are the areas of difference between the DBIS and LSIS reports. For example, the DBIS report is noticeably stronger in emphasising that leadership must exist at all levels in an organisation, suggesting that this may be an area that senior leaders in the ETS sector may need to focus on more. Thus, in relation to ‘providing effective leadership’ the DBIS report says: ‘Leadership is all about setting direction and creating the right organisational conditions for heading in that direction. This is as true for the team leader as it is for the chief executive, although the scope and scale of the task varies significantly’ (p22). This finding is echoed in reports from other sectors, such as health (The Kings Fund, 2011, 2012; Storey and Holti, 2013).

3.2.3 The importance of individual and organisational values

Research on leadership in wider public services consistently identifies the importance of leaders being able to articulate and exemplify strong personal and organisational values.

For example, Pearson et al’s research on highly effective leaders in adult social care settings emphasises the importance of strong values and a passion for social outcomes, combined with determination and resilience to meet the challenges faced (Pearson et al, 2011). Similarly, case studies of the Chief Executives (CEOs) of nine voluntary-sector organisations faced with a need for radical changes, including drastic cuts to funding streams and greatly increased competition for contracts, demonstrate the importance of strong values, determination and resilience (Frye, 2011). Frye’s report also exemplifies the need for self-awareness, communication and the ability to mobilise action around a plan based on a clear and bold vision.

These reports indicate that strong values can increase staff commitment by enabling a common sense of purpose within an organisation. They can also help staff navigate change, even when this involves radical reorganisation and changes in culture.

Individual leaders who demonstrate integrity and consistent values appear to be more effective at building trust, which has been found to be a key concept in healthy organisations. Furthermore, being realistic, including about one’s own strengths and weaknesses, helps a leader to build a strong team and plan for a future goal of ‘where you want to end up’ (Frye, 2011,p26), even where this involves difficult decisions. Communicating clearly and honestly with staff is essential in securing engagement and assurance that they are being treated fairly.

An additional point in Frye’s work is of the need to secure the support of the board, with some of the examples noting a need to reshape and strengthen board functioning in order to make it more effective.

3.2.4 Turnaround leadership: dealing with crises and moving from good to great

We were struck by one interviewee for this study, who said that the Further Education sector needs to see itself as a ‘turnaround sector’: it looks ‘dated and declining’ and needs to consider bringing in talent from other sectors to galvanise improvement. Therefore the second question we address here is how do leaders in other sectors achieve turnarounds?

The previous section pointed to the importance of values in turning round voluntary sector organisations faced with the need for radical change (Frye, 2011). Hargreaves and Harris (2011) provide further examples in a study which examined the common features of selected businesses, schools, local government and sports organisations which helped them achieve beyond what might have been expected from their context –
‘performance beyond expectations’. Many of the organisations they studied were turnarounds, in that they had needed to respond to a particular challenge or build recovery after a period of decline.

Based on their research, Hargreaves and Harris identified 15 factors that they see as key for addressing failing and performing beyond expectations, which include having a ‘fantastic dream’ balanced against ‘feasible growth’, being prepared to go against the ‘flow’ of other organisations and trends, and practicing what the authors call ‘fusion leadership’: a combination of leadership styles and strategies.

One example is of the revival of the chemical company Scott Bader between 2005 to 2007, which was able to move to profitability and expansion from a state of near bankruptcy whilst maintaining its commitment to investing profits for sustainability and supporting charitable trusts. Hargreaves and Harris describe its CEO during this period as:

A quiet but determined leader who is absolutely focused on what needs to be achieved and how this will be secured. He sets high standards for himself and others. He is not afraid to challenge or confront sacred cows such as the staff redundancies that were essential to economic survival yet anathema to all those who clung to the company’s traditional co-operative values. (p52)

Tamkin et al’s (2010) study for the Work Foundation, which used interviews with leaders at different levels, their line managers and their team members to draw out the factors which distinguish leadership which is ‘outstanding’ from that which is ‘good’ provide a table, adapted below, which helps to clarify the behaviours which can be seen in outstanding leaders, whatever their hierarchical position in the organisation:

<table>
<thead>
<tr>
<th>Good</th>
<th>→</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives and targets</td>
<td>→</td>
<td>People and engagement</td>
</tr>
<tr>
<td>Act due to beliefs and values</td>
<td>→</td>
<td>Act due to consequences</td>
</tr>
<tr>
<td>Focus on skill</td>
<td>→</td>
<td>Focus on attitude and engagement</td>
</tr>
<tr>
<td>Delegate task</td>
<td>→</td>
<td>Delegate space for autonomy</td>
</tr>
<tr>
<td>Believe leader holds responsibility</td>
<td>→</td>
<td>Wants team to own</td>
</tr>
<tr>
<td>Involvement in vision and strategy</td>
<td>→</td>
<td>Co-creation of vision and strategy</td>
</tr>
<tr>
<td>Give time to others</td>
<td>→</td>
<td>Focus on people as route to success</td>
</tr>
<tr>
<td>Tend to focus on work</td>
<td>→</td>
<td>Seek to understand people and motives</td>
</tr>
<tr>
<td>Vision as clarity of purpose</td>
<td>→</td>
<td>Vision as emotional clarion call</td>
</tr>
<tr>
<td>Focus on team structure and location</td>
<td>→</td>
<td>Focus on team cohesion and equality</td>
</tr>
<tr>
<td>Give a good impression</td>
<td>→</td>
<td>Reflect on symbolic role of leadership</td>
</tr>
<tr>
<td>Reflect on learning about job</td>
<td>→</td>
<td>Reflect on learning about self and others</td>
</tr>
<tr>
<td>People and task important</td>
<td>→</td>
<td>People at centre – task through people</td>
</tr>
<tr>
<td>WYSIWYG (What You See is What You Get)</td>
<td>→</td>
<td>Consistent and careful on behaviour</td>
</tr>
<tr>
<td>Development through learning and coaching</td>
<td>→</td>
<td>Develop through challenge and support</td>
</tr>
<tr>
<td>Use systems and procedures</td>
<td>→</td>
<td>Focus on few key procedures reduce burden</td>
</tr>
<tr>
<td>Attend to many things</td>
<td>→</td>
<td>People first then move on</td>
</tr>
</tbody>
</table>

Adapted from Tamkin et al (2010, p50).
3.3 Key messages from the interviews

3.3.1 Current challenges and opportunities

All the interviewees were grappling with change. They cited a range of challenges and opportunities related to their particular contexts, although the overarching need to deal with recession and austerity was a constant backdrop:

*It’s all to do with the impact of austerity and how to get re-engagement by staff. These are wicked problems, stemming from government and media pressures.*

Most leaders took a pragmatic approach but were clear on two things:
- austerity requires you to rethink your business models to survive (“There is a much bigger risk if you do nothing.”), and
- following the money is a sure fire route to ‘losing your way’.

3.3.2 Dealing with the politics

Many of the leaders spoke of the tension of handling the political and policy dimensions of their work, and the need to juggle this with the day to day reality of ‘doing the right thing’. The risk here is that political and media pressure lead to reactive leadership, so a strategic perspective on what you are trying to do is needed.

*Policy changes constantly. If you just go against the policies then you don’t get resources. If you just follow policy then you won’t get anything done. Go along with the policies, but do what you are required to do. There is a political agenda and managerial agenda – leaders must do both and handle some contradictory things. The people who achieve the most in leadership can do both things.*

*Leaders who manage it best… don’t simply engage in compliance. They ask what is government trying to achieve, what lies behind this policy. They also take account of the strategic purposes of their organization.*

3.3.3 Leading the public sector in volatile times

For those interviewees working in the public sector there was a strong emphasis on working differently to address challenges:

*Cut backs in public expenditure often provide a burning platform for people to realise the need to work differently across sectors. Historically, if there was a problem, the response was to bid for more resources. This no longer works, so pulling together is what is needed.*
Another interviewee put it this way:

_Leaders in public services face three big challenges: how to develop political astuteness; how to deal with declining budgets and how to get more savvy about institutional design. On the last of these, they need to have a much better understanding of the models that will give them the expertise they need._

### 3.3.4 Leading ‘turnaround’ organisations

Two of our interviewees had inherited “chaotic and badly run” organisations that required significant restructures. One described the organisation as siloed and hierarchical, having lost focus with its stakeholders. These leaders were focussed on re-structuring and re-culturing the organisation, for example by skilling up staff and reconfiguring systems. Meanwhile they were having to maintain an outward focus to manage stakeholders’ expectations: “always, always focus on the client”.

Others were leading organisations that had to expand and contract rapidly to meet the changing economic context.

_We had to downsize by 20% - no redundancies, we managed to re-allocate to other teams. Everyone had exciting career opportunities to go into. People had to be flexible, moving from their areas of interest. … but we didn’t plot a way back and now … with expanding contracts … have to recruit brand new people._

What was clear from these examples was that leaders need to know when to act boldly and dramatically: to be able to move quickly and flexibly in response to real issues and changing circumstances.

In these contexts they saw leaders as needing a vision and sense of direction – but also a sufficient focus on winning ownership of the vision and articulation of key milestones. The journey doesn’t happen by itself:

_Values are as important as vision: values indicate the kind of behaviour you want the organisation to demonstrate._

### 3.3.5 Dealing with new technologies

One specific pressure that many of the leaders cited was that of leading in a media rich world where failure (and success) can become public very quickly – “we are living in a digital coliseum.”

This requires leaders to be resilient and manage their external communication and marketing very carefully:

_You need young people for social media – appoint them.  
We are very careful to tweet only facts - never opinion._

Making wider decisions on technology can be challenging as the field is constantly moving and the technical issues require specialist expertise. It is important to have the right people and skills around you to make the right choices:

_Very few turnarounds succeed without a substantial IT platform. 
Manage technology very tightly, it is easy to have bad spend._
3.3.6 Responses to change: outward facing and collaborative leadership

The need for leaders to remain ‘geo-politically’ aware was highlighted by several interviewees, with at least one suggesting that this was not necessarily a skillset that many leaders had developed during the course of a more technically-driven career:

*The details are different, but the problems are essentially the same: leaders have to deal with massive levels of complexity and uncertainty. People are often promoted based on their technical expertise, not on their ability to deal with complexity, ambiguity and uncertainty. So we’re often seeing leaders in situations they have not met before.*

Several interviewees stressed the need to understand not only their own sector, but also other sectors and wider societal shifts, so they could understand any potential backwash impact on their core business. Two quotes illustrate this view:

*Leaders have a real role in scanning the horizon to check expectations, change, political demands, local and national economic shifts – and then adapting their organizations accordingly so they are fit for purpose.*

*Learning is changing - a major competitor to face to face or classroom learning is MOOCs and online learning. The development of new providers such as business schools in Asia means there is huge competition for the HE sector from these markets. We need to realise we are leading in an interconnected world. As leaders we need that geo-political knowledge and skill.*

The importance of looking outwards (even when this feels scary or a distraction from getting on with delivery) and being curious came through strongly, along with an ability to build consensus between competing interests:

*You need political astuteness; an ability to get things done in a context where there are diverse and sometimes competing interests.*

*It’s about having a quick and imaginative mind. You need to be able to hold and think about lateral ideas: don’t dismiss them as not relevant to your sector - think about them critically. Leaders need to create an innovation climate – curious, and interested in doing.*

Several emphasised that collaboration has become an imperative:

*Working with others is the only way in times of austerity.*

3.3.7 Creating a compelling narrative and building collaborative solutions

While remaining outward facing is critical, this cannot be at the expense of a deep focus on the needs of the organisation, and a sustained commitment to moving it forwards.

*Remind people why we do what we do: tell a compelling story.*

*Leading change is much harder than the text books say, because it’s more complex. You need to think very hard about key purpose of change - what is the aim?… There may be a lot of confounding factors, so you need to communicate the vision in a clear, compelling way, recognising that others may take time*
to understand it, its significance and what it means for them. Leaders need a level of patience and empathy.

Leaders need to understand that people take time to get their heads round change. So you need a timetable but you also need to be gentle, rather than driven and macho. Reading the context is important. The external environment can push change off course.

Others highlighted the need to work with other leaders to develop solutions. This can be hard when you don’t necessarily know where it will take you.

How do you get others to go on a journey when you don’t know where it will land? You have to be persuasive, but also go with where the change takes you: you can’t always be in control.

The leadership required today is more collaborative, and about partnership. It’s less heroic. An effective leader recognizes that the solution may not be their solution, it may be arrived at through debate and discussion.

3.3.8 Getting the structures and culture right

All the leaders we interviewed were heavily focussed on recruiting and growing talented staff and leaders, an area that is addressed in more detail in Chapter 5. This section looks more broadly at how they were creating the right institutional frameworks and cultures.

There was a common view that leaders need to understand organisational cultures and design. The designs then need to have the necessary flexibility to deal with change:

Cultures survive a long time. Leaders need to understand the organisational culture and it is important that if leadership is to evolve a culture, it understands what it is in order to know how to change it.

When you have a vacancy – don’t re-advertise, reorganize!

Be savvy about institutional design: segment the organization, contract out where necessary, involve volunteers. Above all, understand the impact this will have on the organisation.

The role of the team and of middle leaders was seen as critical. If their capacity is not continually developed then senior leaders will not be able to lead effectively – not least because they will become immersed in firefighting and not remain strategic:

When you unpick it, the team has quite often lost sight of what they are doing and what difference they are making. You need to enhance teams so they can see how to change. Find out who benefits from the status quo and work intensively with them.

What are the real drivers of public middle management performance? On a risk reward continuum, they take all the risk and get none of the rewards, so they are not generally fans of innovation.

Stop using the word “they” – I could do my job brilliantly if only they … You are employed to change this.
As you work in this way, you need to be astute about how best to motivate staff and achieve your aims:

*Let others take the credit – it helps you achieve your goals.*

One final point on structures was the importance of a strong governing body and an effective relationship with the Chair, to provide both challenge and support.

### 3.3.9 Managing risk and uncertainty

The key to managing change for several interviewees was to manage risk, or uncertainty ("Leaders work in fields of uncertainty – risk is the wrong word") Where risks are not managed or simply can’t be controlled, they can quickly become crises.

Some interviewees had clear risk management policies that reflected their context (e.g. charities working with children), whilst others were subject to significant compliance regulations (e.g. accountancy). Others considered it essential to manage risks in order to be innovative. A common view was that, in general, public services are risk adverse and this potentially stunts innovation. In such situations, developing strategies for identifying and managing risks is crucial, as is having a “no blame” culture.

*Public service leaders often don’t manage risks, they displace them into a regulatory framework. This is insufficiently brave leadership.*

*Your mindset needs to be one of quality and risk.*

*Managing risk is a leadership judgment call. To develop judgment, political astuteness is needed. You develop this through making mistakes. Behind this is learning from role models – from working with both positive and negative leaders. Experience and reflection are critical.*

Others thought risk was best viewed through the perspective of ‘learning’ and that collaboration between leaders was essential in managing risk, with the observation that leaders who get it wrong ‘go off on their own’.

*You need a diverse team, with diverse views. That balances risk.*

When crises do emerge:

*You have to separate two things out:*

- the objective steps needed to normalise the business quickly – step by step,
- secondly, how to handle the “soap opera” - the relationship issues that have arisen, that will take a lot longer.

Above all, you need to learn from your own and your organisation’s mistakes, which requires resilience and a ‘no blame’ culture:

*As part of this, there should be an acceptance that mistakes happen and not punishing people if mistakes genuinely undertaken.*

*The more you innovate the more you will fail. Great CEOs have plans A, B, C and D.*
3.3.10 Embedding change and knowing what’s worth fighting for

Leading change and innovation is hard. Perhaps most challenging of all is to move beyond the initial flush of change, and get into the hard graft of embedding it.

The NHS is very good at improvement and innovation, but very weak at diffusion and adoption.

Values and integrity are fundamental when leading change. This means being honest with staff and knowing what is worth really fighting for:

Leaders often encounter enforced change. When that happens they shouldn’t just sympathise with staff. Staff want leaders to explain why change is happening, and want help coping with the change. ........ Speak honestly on behalf of staff. Don’t just lie down and let the tractors roll over you. Resigning is always an option.

Finally, do everything you can to make sure your organisation understands the challenges and is engaged in the change process:

It’s not just about investing in the leader – it’s about investing in the whole organisation so it understands its place in an interconnected and fast moving world.

3.4 Key innovations

This section captures some of the innovations we heard from the leaders and the literature that might be useful for leaders in the education and training sector to consider:

• Consciously build differences into your team. This can support innovation and help manage risk. Create time and space for leaders to engage in facilitated dialogue to develop shared solutions to common issues.
• Create Formula One style ‘pit stops’ for leaders to deliberately refresh and recharge – time out of the day to day to reflect, and think more strategically. The NHS has tried to create ‘pit stops’ after operations, so that surgical teams can consider what went well and what could be improved.
• Get the simple things right: hold a fortnightly call with the team to keep people in touch and review the goals.
• Hire young people to support the social media side of your business and grow them from there.
• When you are looking to embed innovation, you need good management processes (though they can also be a hindrance). “In embedding innovation, bureaucracy is your best friend”.

In relation to partnership working, the CIPD (2013a) advises:

• Create a suite of standard tools and processes: develop best practice guidelines, toolkits, detailed checklists for analysis and negotiations, internal contracts, sample letters of intent, contracts, and internal and external case examples.
• Create lean, expert units: establish small corporate groups to take on the necessary specialist support roles for partnerships, such as: internal consulting, training, structuring of business arrangements, co-ordinating relationships across business units, and managing partnerships from day to day.
• Establish communications platforms: for example establish cross-organisation intranet sites, and open discussion about partnerships, including forums to capture and share expertise and internal virtual networks.
• Develop human resources policies to support partnership outcomes: including specific performance measures devised for managers charged with negotiating, or for strategic units managing in these partnerships. (CPID, 2013b, p8).

3.5 Implications for the post-16 sector

Both the literature on leadership and management and the interviews of leaders from other sectors suggest the importance of:

• Developing a strong shared set of values and vision that chimes with the current economic and policy context, but also indicates longer-term goals so that everyone in the organisation has a clear idea of the direction of travel and the need for change: be bold when necessary and always focus on the needs of the client
• Focusing on the core mission of improving educational outcomes for learners and the skills to support economic growth without being deflected by short-term funding initiatives or policy requirements: avoid reactive compliance
• Knowing your market, or markets, and developing your team to meet its needs
• Being aware of student progression patterns and the nature of work for which students are being prepared
• Creating space for reflection and using ideas and people from outside the organisation to provide support and challenge
• Growing your own workforce but also bringing in 'fresh blood' to provide an outside perspective on the organisation, and thinking differently about organisational design
• Demonstrating openness and integrity in communicating with both governors and staff
• Aiming for non-hierarchical management structures so that leadership is distributed throughout the organisation: invest in middle leadership
• Ensuring that the institution is financially stable and being prepared to make changes as appropriate.

In conclusion, Welbourn et al (2012) offer seven suggestions for today’s leaders that seem to chime closely with the messages from the interviews:

• Go out of your way to make new connections.
• Adopt an open, enquiring mindset, refusing to be constrained by current horizons.
• Embrace uncertainty and be positive about change – adopt an entrepreneurial attitude.
• Draw on as many different perspectives as possible; diversity is non-optimal.
• Ensure leadership and decision-making are distributed throughout all levels and functions.
• Establish a compelling vision which is shared by all partners across the whole system.
• Promote the importance of values – invest as much energy into relationships and behaviours as into delivering tasks (pp 4-5).
4. How leaders maintain strong organisational brands whilst also working across the wider system

4.1 Overview

The last chapter explored how leaders lead change and manage risk in volatile environments. Key strategies included maintaining a strong narrative around how the organisation is developing, articulating and exemplifying a clear set of values, and distributing leadership so that responsibility and accountability for change and success are shared.

This chapter draws on the literature and interviews to explore how leaders secure strong but responsive organisational brands, since these are key to success in a fast moving and competitive world.

But the last chapter was also clear that leaders need to collaborate and form new partnerships if they are to succeed in times of austerity. This is especially true for leaders in the public sector, where there is a moral imperative to secure the best possible outcomes for all learners, in particular the most vulnerable. This requires a new set of skills and qualities, often described as system leadership. This chapter explores the concept and practice of system leadership across education and the wider public sector and assesses its relevance for leaders in other sectors.

4.2 What the literature says

4.2.1 Building a strong organisational brand in volatile environments

There is a wealth of literature examining how leaders and organisations achieve competitive advantage by building strong organisational brands. A brief review highlights the need for leaders to:

- Develop a sophisticated understanding of existing and potential customers, in particular to understand what is most important to them so you can differentiate your products and services. For example, when Toyota launched the Lexus car into the high-end US car market in 1990, they found that their competitors (such as BMW, Mercedes Benz and Audi) had focussed strongly on aspects such as engine performance, whereas what customers valued most highly was actually excellent customer service. So Lexus has prioritised this, based on the Lexus Covenant: “Lexus will treat each customer as we would a guest in our home”. By 2002 Lexus was the third best-selling luxury car in the US (Mino Avila S, 2008).
- Be clear on which areas you want to be excellent at, and which areas you can be ‘good enough’ at. Classically, organisations need to decide whether they want to be leaders in one of three possible areas (value disciplines): quality products and services, customer intimacy or price and operational effectiveness (Treacy M and Weisema F, 1993). To take supermarkets as an example, Waitrose aims for excellent quality products, Tesco’s has excelled at customer intimacy and ALDI and LIDL are competing on price and operational effectiveness. The argument in the business literature is that companies cannot excel in all three areas, in fact they are mutually exclusive when taken to extremes; they need to focus on one.

This links to a third key theme from the literature on brands – the need for distinctiveness. To take an example from education, Harvard is seen as having developed the ‘case method’ approach (i.e. presenting students with a case study that introduces a real business challenge or dilemma, and then putting them in the role of decision maker), while the Open University has led the way with ‘supported self-study’ through distance learning.
How leaders in other sectors achieve strong organisational brands in fast changing environments remains the subject of entire MBAs and business schools around the world. One key approach – Test and Learn - draws on the idea of rapid prototyping (used in the design process) to argue for a continuous process of organisational learning by piloting and evaluating new innovations. Others, such as Kaizen - the Japanese for ‘continuous improvement’ – and other TQM (Total Quality Management) approaches are more focussed on how you create an organisational culture in which all staff, but particularly those most involved in front line delivery, can identify issues and help design organisational solutions.

Even where studies of successful businesses appear to identify common features of effective leadership, the volatility of the environment means that any findings must always be seen as no more than indicative. For example, the business author Jim Collins wrote the influential Good to Great study (2001) based on research on high performing businesses. This introduced the concept of Level 5 leaders: quiet, humble leaders who focus on enabling their teams to succeed. Several years later Collins then wrote How the Mighty Fall, (2009) drawing on the learning from why several of those same companies had since collapsed.

Nevertheless, the key messages from a recent article in the Harvard Business Review (Raynor & Ahmed, 2013) are evidence based (analysis of 25,000 companies trading between 1966 and 2010) and simple, if somewhat Americanised:

1. Better before cheaper – in other words, compete on differentiators other than price.
2. Revenue before cost – that is, prioritise increasing revenue over reducing costs.
3. There are no other rules – so change anything you must to follow Rules 1 and 2.

System leadership in education

The Introduction identified the need for ETS leaders to work as system leaders. The concept of system leadership is still emerging in the post-16 sector, but is more established in other parts of the public sector.

System leaders in the schools sector are generally seen as leaders who work beyond their own context to support other schools that are struggling, for example as an Executive head or Chief Executive of an academy chain (Hill, 2012; Earley et al, 2012).

David Hargreaves (2012) has developed the thinking on system leadership and inter-school partnerships in his work on the self-improving school system. He argues that if England’s 21,000 schools are to be autonomous, with minimal external support, then they will need to mediate the impact of competition (which can lead to isolation and fragmentation) through an equal focus on collaboration. This can be achieved through deep partnerships that allow schools to work together and share resources and expertise, thereby enabling them to meet the needs of all children more effectively. His work draws on the example of strategic alliances in the business sector (Gonzales, 2001).

Hargreaves acknowledges that forming such deep partnerships in an accountable and competitive system requires exceptional leadership qualities. The OECD (Waslander et al, 2010) describes partnership as a vulnerable strategy: even if school leaders invest effort in building trust through collaborative working, all it takes is for one school to break ranks and act competitively – or at least be seen to act competitively – and the others will feel intense pressure to do the same.

The House of Commons Education Committee recently reviewed written and verbal evidence on the growth of school partnerships (House of Commons, 2013) and concluded that while there are tensions between
competition and collaboration, these are largely creative tensions’ (p15) which may contribute to shared goals for the system as a whole.

However, Greany (2014) argues that school collaboration and the self-improving system are being hampered by the existence of at least four parallel policy narratives, ranging from trusting the free market to cherry-picking ideas from high performing systems across the world. He argues that the first three approaches do not meet the Government’s criteria for a school-led, self-improving system because they do not enable schools to share expertise and capacity, which are essential if the quality of teaching is to improve. Partly in response to these flaws, the role of accountability in these models becomes over-dominant and punitive.

4.2.2 System leadership across wider public services

Across wider public services, system leadership is more commonly used to describe efforts to align different services in order to achieve holistic outcomes for disparate, often marginalised, communities and users. Debbie Sorkin, Chief Executive for the National Skills Academy for Social Care suggests that ‘This (systems leadership) is to do with how you exert leadership when the problem you’re facing is large and intractable; when you’re not the only one in charge; when you need to really involve a lot of other people; and when you have no money’ (Sorkin, 2014).

In a 2009 study Benington and Hartley recognised that financial pressures and increased competition were common to all organisations, but they identified additional challenges faced by organisations involved in public service delivery. Often these challenges are ‘wicked’ issues (for example, youth unemployment) which have neither agreed causes nor known solutions (as opposed to ‘tame’ problems, which have been solved before and which therefore can be addressed through managerial approaches).

These challenges are often compounded for leaders in public sector organisations because they work in complex political environments, generally characterised by: rapid changes in policy direction and statutory expectations from central Government, increased external accountability, increasing requirements to compete in a market or quasi-market, changing expectations from their clients and the wider public and, not least, stringent financial pressures in the face of increasing demand. The parallels with the challenges facing post-16 leaders today, as set out in Section 2, are clear.

Bennington and Hartley (2009) suggest that leadership in such contexts requires adaptive systems, practices and behaviours that can respond to complex, cross-cutting challenges with no clear consensus about causes or solutions. It requires whole-systems thinking and an ability to bring together and align practice from different sectors, services and organisational levels (‘leadership beyond authority’). Such leadership requires emotional intelligence, self-awareness, political awareness, negotiation skills and the ability to mobilise action and promote collaboration.

One clear example of this is children’s services in local authorities. Since 2005, Directors of Children’s Services (DCSs) in England have been responsible for the coordination and quality of services for children across local authority areas. Some of those services may be directly under the control of the local authority, but many rely on partnership with other organisations (for example the police, health services or independent academy schools), which may have partial or complete independence.

Research by Leslie et al examined DCS leadership in selected high-performing or rapidly improving local authorities (Leslie et al, 2011). They were able to identify eight ‘core behaviours’ (p4) of what they term resourceful leaders categorised under four broad headings (see Diagram 1).
Diagram 1 Behaviours for Resourceful Leadership, from Leslie et al, 2011

[Insert from separate file]

‘The ability to simplify’, to draw out and express shared understandings, priorities and goals in a way that is readily understood by all partners, is perhaps a precursor to the establishment of a compelling shared strategic vision and is an essential skill for leaders to develop when working with partner organisations with different histories, cultures and agendas. The most successful DCSs were able to draw from a broad and deep set of skills to select the most effective response to different contextual challenges, which were categorised as the need for change in a volatile and financially challenging environment. Political skills in identifying and forming productive alliances with other senior officers and elected members in the local authority were also critical to the success of the most effective DCSs.

Leslie et al provide detailed illustrations of enabling leadership at a senior level in the system, but, according to Uhl-Bien et al (2007), enabling leadership which encourages and supports adaptive solutions is needed at all levels. They suggest that middle managers and front-line staff, in particular, have a key role in enabling adaptive solutions that directly touch the customer or client.

Daniels and Edwards (2012) pick up this theme in their exploration of the ways in which ‘intelligent’ DCS leaders build capacity. They cite clear evidence that front-line practitioners need to work together to shape responsive, personalised solutions to address the complex issues that the children and families they support often face. The challenge is how to legitimate and systematise such bespoke solutions in the context of top-down accountability and siloed service delivery. Learning and knowledge need to be shared both vertically and horizontally. Daniels and Edwards’ findings on how such ‘intelligent leaders’ do this are captured in Diagram 2.
4.3 Key messages from the interviews

System leadership was not a phrase used by leaders in the private or voluntary sector, although many of the concepts are recognisable: for example in the process of mergers and acquisitions which have similarities to the takeover of failing schools by academy chains.

Where the interviewees were clear, was in focussing on the need to manage their organisational brands, with a clear message that clarity of focus and a reputation for quality is more important than ‘following the money’.

What’s your calling card of excellence?

*Understand what makes you distinctive. Many providers are jostling for position and trying to attract resources – cut through things and make sure you stand out in a crowd.*

*Be clear about your distinctiveness. Be judicious. Don’t follow the money ‘bust and boom’ – believe in deeper and narrower (but beware this running counter to innovation). Articulate your public value. Be clear on what you offer, what you will bid for, led by a strategic plan not that there’s money available.*

To do this well you will need to ensure your team has specific skills:

*Understand your position in local markets – are your leaders skilled in market analysis?*

*Build leaders skills in developing relationships with major funders – focus on strong stakeholder and client management.*

Linked to this, a key consideration was how to navigate the need for both competition and collaboration with your peers.

*Partnership is a way of doing business – agree the protocols, agree the boundaries and get on with it.*

*Education is very isolationist. Providers tend to work on their own. They need to have better partnerships: the role of leaders is to present the organisation as a trustworthy partner.*

*Be very careful who you partner with; you will come a cropper if your clients think your partners are unacceptable. Ask what do young people need – and think about how you can forge partnership to give this.*

Being clear on outcomes and the part your organisation can play along with others is critical. In one case altruism played a part:

*It doesn’t matter if your organisational brand is not at the forefront of the work – what matters is that change happens.*
One interviewee cited the NHS as a particularly interesting example here as it operates as both a market and a system.

*The ethos in the NHS is that leaders are moving to putting the whole system first and will only compete as a means to an end where they really have to. They should not let this aspect of their work adversely affect the relationships they need to lead the whole system.*

The challenge for leaders in the Education and Training Sector may be to develop an equivalent ethos.

Understanding the challenges for different sectors is important here. The private sector faces challenges on cost, so will partner for innovation. The voluntary sector might partner for leverage and influence as much as financial benefits:

*(As a private sector provider) you face constant pressure from regulation, standardisation and compliance. This restricts your commercial freedoms. You can’t charge more than standard rates; so you can’t get a premium from a project, nor can you offer discounts. It’s becoming an increasingly restrained commercial model. We are increasingly unable to offer innovative models to clients even if they want it.*

### 4.4 Key innovations

- Focus on developing some of the skills, qualities and approaches set out in the ‘resourceful leadership’ and ‘intelligent leadership’ sections: for example ‘taking the standpoint of others’ or thinking through how learning and innovations are structured and supported across your organisation and partnerships.
- Look at the delivery of the service from the point of view of the client and focus on client satisfaction of the end to end experience. Avoid individuals having too many specific targets and focus instead on outcomes for the client – this incentivises changes in behaviour and a more integrated approach to delivery. For example, the NHS redesigned targets to incentivise different behaviours. Previously, there had been spasmodic care for some patients caused by clunky targets which incentivised silo working. So they broadened the targets to get more joined up solutions.
- The old model of innovation tried to generate ideas from within the organisation by setting up R&D sections and asking staff to produce suggestions. Now it is seen as more relevant to look outside to harvest ideas, though it is important to then adapt them for your own context. How do you help staff to face outwards?
- Invest in business development teams: people who will scan the horizon and make sure you have the intelligence you need to lead the organisation and make decisions about priorities, partnerships, markets and investment.

### 4.5 Implications for post-16 sector

Both the literature on leadership and management and the interviews of leaders from other sectors suggest the importance of:

- Having a clear idea of the ‘brand’ and distinctiveness of the organisation within its local and regional ecology, developing excellence in these areas and ensuring that this message is communicated effectively internally and externally
- Being aware of the institution’s position in relation to local networks and partnerships
• Recognising that education and training is an expansive and shared enterprise and that serving the needs of all the learners and employers in the locality or region requires effective collaboration and partnership working, but from a position of strength (see previous point). Forming deep partnerships will require an investment of time and effort to build trust.

• Being prepared to take a civic leadership role and to work with partners to co-construct effective and innovative provision that has a positive impact on the economic dynamism of the locality and region.
5. Leading the core business: recruiting, retaining and developing diverse talent

5.1 Overview

The core business for leaders in the education and skills sector is clearly learning: in particular how to ensure that teaching, curricula and workplace experiences are of consistently high quality. Inevitably, leaders in other sectors had different versions of the core business, but there are nevertheless some commonalities.

This chapter is divided into three sections:

I. How leaders lead their core business – meaning learning for educational organisations, but not in other sectors
II. How leaders build diverse and inclusive organisations, not just as a way to secure the best possible talent but as a moral requirement and practical imperative so they reflect the communities they serve
III. How organisations identify and grow talented staff into leaders in order to achieve organisational success and strong succession planning for the future.

5.2 Leading learning

5.2.1 What the literature says

Together with Higher Education and compulsory school sectors, ETS leaders need to focus on improving the quality of learning and teaching, informed by ethical principles and beliefs about the aims of education (Elliott, 2013).

There is strong evidence that leaders in schools can have a significant positive impact on student outcomes (Day et al, 2009, 2011; Pont et al, 2008; Robinson et al, 2008; Robinson, 2011). Learning-centred leadership – sometimes called instructional or pedagogic leadership - sees senior leaders as ‘lead learners’ and learning, for students and adults, as paramount.

Southworth (2009) identifies three core strategies for learning-centred leadership:

- modelling what is expected,
- monitoring what is happening in practice and
- dialogue around strategies for improvement.

West-Burnham and Coates (2005) added mentoring and coaching to this set of strategies. The key point is that leaders’ influence on learning is indirect – it comes via the ways they support front-line teachers to improve.

Robinson’s (2008) meta-review of evidence on the impact of school leadership shows that this is greatest where they focus on promoting and participating in teacher learning and development. This is captured succinctly by one Boston School Principal: “Being a teacher is about helping children to learn. Being a principal is about helping adults learn” (McKinsey&Co, 2007).
Recent research on the factors which distinguish ‘high-performing’ from ‘strong’ schools (Bell and Cordingley, 2014) highlighted the importance of professional learning to success. For example, they noted:

- Very strong models of professional learning, which included coaching, professional learning communities, teacher enquiry and collaboration throughout the school. There was a high degree of consistency in pedagogical approach throughout the organisation.
- Leaders in high-performing schools who modelled collaboration and themselves as co-learners.
- Professional learning was evaluated for impact on teaching and learning.
- Use was made of external networks, including with parents and the community, and of external expertise.
- There was a greater emphasis on subject knowledge.

The report concludes:

In exceptional schools the development and use of talent at whatever age and stage of development was seen as a major driver of quality and an issue to be pursued and nurtured with care and attention. (p24).

Most recently, some school leaders have drawn on evidence that much traditional CPD, where it involves staff attending external conferences and events, has limited impact because the learning is rarely practiced and applied in context. Therefore the focus is growing on Joint Practice Development: structured learning between professionals, with a focus on a specific area of practice and drawing on existing evidence (Sebbia et al, 2012). A common methodology for this is Lesson Study, but the key challenge is to create time and space for busy teachers to work in this way (Dudley, 2014).

While learning-centred leadership is key in schools, this does not necessarily mean that other models of leadership – such as transformational leadership, based on developing a collectively shared vision for improvement – are no longer relevant. As Day et al (2009) argue:

Successful school leaders improve teaching and learning and thus pupil outcomes … most powerfully through their influence on staff motivation, commitment, teaching practices and through developing teachers’ capacities for leadership.

The research from schools appears to chime with that from the Further Education sector, although the evidence base for FE is less robust. Fletcher (2011), reporting on research which sought to identify the things that further education college leaders do that have the most impact on the quality of learning, concludes that there is a high degree of consensus on how leadership can best bring about improvements in teaching and learning: through organisation vision and strategy with a priority for teaching and learning; organisational tone and a supportive environment; and the promotion of professional development.

Fletcher found that although principals were able to articulate a clear view of good teaching and learning within their own institution, there was a lack of clarity at sector level. His research suggested that there was a need for the sector to develop and articulate a model of good practice in vocational learning; and arguably this is now being addressed (IFL, 2010; Crowley, 2014; 157 Group, 2012, 2013a, b; City and Guilds Centre for Skills Development, 2012; and Ofsted, 2014).

A particular challenge for post-16 leaders is how to develop staff who are both skilled in their vocational area and also effective teachers. A study by Page (2013), which investigated the role of curriculum leaders of construction in supporting the transition from a role as a construction professional to that of a teacher, found that there were particular challenges in relation to administrative workload, pedagogy and the academic
demands of teacher training. The curriculum leaders in his study, nearly all of whom had themselves moved from working in the construction industry, were able to introduce tailored induction and support packages, including reduced timetables, team teaching and mentoring for new staff. These arrangements operated independently of any induction arrangements for the college as a whole. Their autonomy in doing this, which relied on trust and good relationships with senior leaders, was clearly significant in matching individual staff needs to the support provided and to the ability of the college to recruit and retain high quality staff. However, Page also questions the extent to which autonomy may result in barriers to the formation of wider professional learning communities within the college as a whole.

5.2.2 Leading the core business: key messages from the interviews

All interviewees were clear that understanding the core business is essential. A key part of this was to focus on agreeing clear accountabilities and strong management processes, with leaders able to pick up and focus in on detail when there were issues, whilst also asking the right questions when the issues went beyond their immediate skillset:

If you don’t take personal responsibility you will sink.
Spot small things and head them off: constantly review your processes and systems. Rely on people doing the right things.

More generally, it is about getting shared ownership of issues:

Try to get people to frame their world differently. If you want a collective approach you have to educate collectively, not as individuals.

Finally, there was a recognition that too great a focus on technical issues can indicate a failure of leadership:

The Civil Service tends to be very good at subject matter experts – but not managers and leaders.
Promotion is based on technical expertise, not being able to manage people. This is a big issue.

One interesting insight here was on how organisations deal with leaders who move between sectors, where the leader inevitably doesn’t know the core business well. Many felt this was rarely successful, with some high profile failures, for example in Whitehall. This was seen as being as much about a failure to understand the culture as the specifics of the business.

Don’t get caught up in the 100 days idea – this leads to a view that if you haven’t done it by then you will never manage it – it takes much longer.

For those moving into the voluntary sector, they also need to realise that the governance and project management systems may be weak compared to what they are used to.

The exception was the NHS, which has examples of leaders who have successfully transferred from other sectors. The quality of their induction was critical. This lasts for a full year and involves learning sets, a Harvard public management course, time spent on a major improvement project and a series of master classes.
5.3 Leadership to promote diversity

5.3.1 What the literature says

According to Welbourn et al: for leadership to be successful in today’s context ‘diversity is non-optional’ (2012, p5). Despite this, a recent review by Coleman (2012) found continuing barriers to progression for women and minority ethnic professionals with ambitions to progress to leadership in schools. Governors, as ‘gatekeepers’ may need to be a specific focus for training to overcome discrimination, including age discrimination. She emphasises the importance of reflection on and interrogation of personal values and beliefs among existing leaders, in order to provide ethical and authentic leadership for greater diversity.

The importance of personal values and of sharing these is further emphasised in recent publications from KPMG and Kings College London (KPMG, 2014) and in a report published in the Harvard Business Review (Groysberg and Connolly, 2013). Groysberg and Connolly report on findings from interviews with 24 CEOs from companies with recognised good practice in ensuring a diverse workforce. These CEOs were driven by personal values about equality and by recognising that an organisation which actively develops talent and potential within all sectors of the workforce will be more successful. Diversity is valued as a source of creativity and innovation and as helping companies keep in touch with its customers, through ‘reflecting the people they serve’ (p4).

Groysberg and Connolly were able to identify from their research a common vision of what was meant by an inclusive culture as:

One in which employees can contribute to the success of the company as their authentic selves, while the organization respects and leverages their talents and gives them a sense of connectedness. ..In an inclusive culture employees know that, irrespective of gender, race, creed, sexual orientation, and physical ability, you can fulfill your personal objectives by aligning them with the company’s, have a rich career, and be valued as an individual (p7).

Successful practices to increase diversity introduced by the CEOs interviewed by Groysberg and Connolly are similar to those identified by respondents to a survey of executives working in healthcare organisations in the USA. Despite believing that healthcare organisations have made insufficient progress in achieving diversity in leadership positions, Rich (2013) reports agreement among survey respondents in the measures that will increase diversity: leadership from the CEO and senior executive team, sensitivity to cultural differences, mentoring, targeted recruitment and promotion strategies, ‘champions’ for diversity within the organisation, and setting and monitoring diversity targets. Flexibility in working arrangements is identified as important, to enable talented staff to progress whilst fulfilling family commitments.

As well as targeted recruitment and promotion strategies, research suggests that targeted leadership development programmes may be required. For example, an evaluation by Johnson and Campbell-Stevens (2013) of targeted school leadership programmes for members of minority ethnic groups found that the programmes contributed two of the three elements identified as essential for career progression: those of affirmation of their ability and potential, and a supporting professional network. The final essential factor for career progression noted in this research, where a supportive culture in the workplace is also essential, is that of having opportunities to lead.

Maringe (2012) in a report which considered opportunities for women to contribute to decision making in further education colleges noted that the pre-existing male- dominated culture and manner in which
decisions are made by the senior team prevents full participation and involvement of female employees. This perhaps points to a further risk to diversity in educational organisations that train, develop and promote their teachers and leaders internally, through ‘grow your own’ strategies. By recruiting and developing staff to match the norms and values of the organisation there is a risk that future leaders will continue to be predominantly white and male (Myung et al, 2011).

Research conducted by Kings College, London (KPMG 2014) was based on interviews with 20 CEOs in organisations identified as actively encouraging gender parity at senior levels. They identified a lack of skills among their predecessors in making objective recruitment and leadership behaviour decisions to successfully overcome the tendency to recruit and interact with people who are similar to themselves (homophily) and/or conform to a norm of an ideal worker as male. They also pointed explicitly to ‘client demands’ and social expectations as hindering the flexibility needed for women in particular to manage childcare and other family responsibilities (p11).

A further risk of failing to attend to diversity of all kinds is that challenge to existing ways of working may be reduced and opportunities for innovative response to changing external circumstances stifled. Although Hargreaves and Harris (2011) observed that continuity with the past was important, it is striking that many of the organisations in their study of those that performed ‘beyond expectations’ brought in a new, externally-recruited senior leader to stimulate rapid improvement following a period of stagnation or decline.

5.3.2 Key messages from the interviews

All the interviewees agreed that whilst progress has been made on gender equality, little progress has been made in other aspects of diversity (particularly BME).

There are issues about building a sustainable pipeline of diverse leaders – we are not there yet. It is no longer a government priority.

Nevertheless, leaders across the private and public sector leaders still saw it as important:

It is essential that our workforce reflects our clients and society at large. That is easier to achieve when you are building a team from scratch, but much harder when you are inheriting a team.

Make diversity a service improvement issue not an equity issue – this is now the NHS approach.

Despite investment in positive action programmes, none of the interviewees were able to cite examples that had made a discernible difference. One area where leaders saw greater impact was in recruitment practices:

Decentralise the recruitment process and change the systems and processes you use (whilst retaining a focus on merit) to make a difference.

Hire for values rather than competencies – this has started to make a difference in the NHS.

Above all, leaders need to keep this priority on the agenda if they want to see change:

The role of senior leaders is to challenge their teams to look harder at this when recruiting and building teams.
Get behind the data, for example on recruitment issues: understand who was recruiting, how and the outcomes. The most powerful examples of changing attitudes are when you get the data and talk about it.

Be more specific about which aspects of diversity you want to tackle. Lots of diversity issues are unintentional.

5.4 Leadership development, talent management and succession planning

5.4.1 What the literature says

In terms of the content of leadership programmes, it does appear that there are common issues facing leaders which make generic learning useful. Gentry et al (2014) surveyed middle and senior leaders in seven countries (including the UK) about their main challenges as a leader. Thematic analysis showed the top six priorities, with little variance in ordering of these among nations, were ‘Developing Managerial Effectiveness, Inspiring Others, Developing Employees, Leading a Team, Guiding Change, and Managing Internal Stakeholders and Politics’ (p83).

Hallinger and Lu (2013) scrutinised the curricula of post-graduate business management courses, such as MBAs, to identify areas that might usefully be applied into programmes for education leaders. They propose that courses for education leaders should focus more on:

- Problem-solving approaches and the use of data: how to make evidence-based decisions is a prominent feature in many MBA courses.
- Human resource strategy: ‘Increasingly, the business sector is paying greater attention to the means by which vision and strategy for improvement are linked to the management of human resources’ (p442).
- How to achieve a ‘customer orientation’ (p443): which is increasingly needed in educational management given the increase in markets and competition.

Looking beyond the content towards the learning process, any decision clearly needs to pay attention to what is to be learned. A traditional lecture can work well for cognitive learning (knowing that), while supported workbased experiences can develop skills (knowing how). But changing behaviour, attitudes and feelings is likely to require more sustained coaching and mentoring (Lewis and Murphy, 2008).

While this will always remain true, the general shift in thinking on leadership development has been away from classroom-based programmes and towards more context-based learning coupled with opportunities to reflect and work with peers over the past two decades (Benington and Hartley, 2009; Earley and Jones, 2009; Coates et al, 2013; Gurdjian et al, 2013). This shift is captured by Bush et al (2007) in their two ‘polar models’ shown in Box 3.
Box 3: Polar models of leadership learning

<table>
<thead>
<tr>
<th>Traditional leadership learning</th>
<th>21st-century leadership learning</th>
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<tbody>
<tr>
<td>Prescribed</td>
<td>Emergent</td>
</tr>
<tr>
<td>Standardised</td>
<td>Personalised</td>
</tr>
<tr>
<td>Offsite</td>
<td>On site</td>
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<tr>
<td>Classroom-based</td>
<td>Work-based</td>
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<tr>
<td>Content-led</td>
<td>Process-rich</td>
</tr>
<tr>
<td>Scale</td>
<td>Depth</td>
</tr>
<tr>
<td>Leader development</td>
<td>Leadership development</td>
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</tbody>
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Reflecting on Bush’s framework, Lewis and Murphy (drawing on a review by Glatter, 2008) suggest that:

*There will be a place for activities using the traditional model (i.e. the left hand column), but more experienced leaders are likely to get more from programmes based on the emergent model. The needs of each target group must be considered separately. In general, the evidence from many contexts suggests that moving development opportunities towards the right-hand column will produce better and more sustainable leadership learning.*

This theme is picked up by Turnbull-James (2011), who also differentiates between individual learning and organisational development. She describes three types of leadership development, providing examples from the Cranfield Business School which demonstrate the inclusion of work-based tasks for each (See Box 4).
Box 4: Three types of leadership development (Turnbull-James, 2011)

Developing individuals as leaders

Typical methods:

i. capability assessment – self-assessment against frameworks, 360 degree feedback
ii. realisation of potential through reflection, personal insight and development to help align values with actions (i.e. towards authenticity in leadership)
iii. situated learning in context as part of the overall organisation.

Case study: a programme for women with potential to become partners in an international organisation. Originally it was thought that it was their self-confidence that needed to be developed, but the course designers found that the involvement of senior executives was necessary to show how impression management in context was significant and to respond to suggestions to adapt the organisation to support promotion of talented women.

Organisational development

These programmes typically use team-based inquiry or action-learning approaches focussed on organisational challenges. The aim is to enable participants to understand how the organisation needs to transform to respond to challenges, how existing leadership practices might be adapted and to clarify people’s roles in this.

Case study: a programme for a large housing association, branded the ‘Leadership Academy’. This started with a three-day residential and three facilitated one-day events for collaborative learning groups, with each cohort sponsored by a member of the Executive Group. The Executive Group were included and ‘realised they needed to let go and give people space’, following which they were given a challenge of modelling shared and collaborative leadership.

Taking on a leadership role

Turnbull-James notes that expectations of employees with regard to contributing to shared or distributive leadership can go against personal ambitions.

Case study: a programme in a university for academic course leaders, asked to assume a broader role in a new organisational strategy. The programme combined personal development with coaching and exploration of roles to be played.

For the education sector, Walker et al (2013) reviewed programmes for principal leadership preparation in five jurisdictions which perform well in international PISA tests (Australia, Canada, Hong Kong, Singapore and the USA). All of the jurisdictions employ leadership frameworks, reflecting a view that this can helpfully support the development of a common ‘leadership language’ (p420) across a system and at all levels of leadership. Some systems open up their principal preparation programmes to a wide field (as a way to widen the leadership pool), while others ration places to promote competition and thereby ensure only the best candidates are accepted. Internships - which give aspiring head teachers opportunities to undertake real leadership tasks in different contexts - are common features of the programmes studied, as is the close involvement of practising leaders in design and delivery.
In many ways, this focus on leaders working with their peers on real leadership tasks reflects the same evidence and conclusions as those cited above in relation to wider professional development, characterised by the shift from CPD to JPD.

Arguably, though, talented leaders require much more than a succession of challenging roles in which they either sink or swim. Such experiences might develop technical skills and may also bring good people skills, but will arguably be insufficient for developing the kinds of self-knowledge and wider skills and qualities outlined earlier in this report, in particular in relation to system leadership.

As leadership becomes more challenging and complex, some have argued that leadership development needs to become more sophisticated: moving away from lists of competencies towards well-structured but open ended tasks and coupled with high quality but challenging facilitation and coaching (for example, David Ng, 2007).

Certainly, the impact of much leadership development provision has been questioned. For example, in an article for McKinsey Quarterly, Gurdjian et al cite evidence that, despite being high priority, leadership development has been insufficient to develop the high-quality leaders needed by companies in the UK. They suggest a number of reasons for this, summarised below:

- Context needs to be taken into account and companies should aim to identify the leadership competencies which are most needed for the context and priorities of the business and focus on developing these.
- Leadership development should ‘push training participants to reflect, while also giving them real work experiences to apply new approaches and hone their skills’ (p4).
- Leadership development may require people to change existing beliefs about leadership and programmes should not underestimate the need for this to take place. An example is given of the strong resistance initially presented by business-unit managers to a proposal to delegate some financial and resource decisions, on the grounds that they did not trust their subordinates, feared losing control and thought that their workload would be increased. Challenge was needed to enable them to see the benefits of greater learning opportunities for junior colleagues and of saving time and to overcome barriers.
- Finally, they propose that the impact of leadership development should be rigorously evaluated.

One example of a programme that draws on wider business management programmes and also seeks to develop the skills of system leadership in education is the National College for School Leadership’s (now the National College for Teaching and Leadership) Fellowship Programme. The programme offers National Leaders of Education (designated outstanding Headteachers who provide support to struggling schools) a combination of:

- personalised learning pathways, where the leaders select from a menu of leadership programmes offered by business schools and universities;
- an international exchange visit in partnership with the National Institute of Education in Singapore; and
- the opportunity to work together for a week to address a real ‘challenge’ question set by ministers and related to current policy development. At the end of the week the NLEs present their recommendations to ministers and advisers. A number of their recommendations have been implemented over the years.

5.4.2 ‘Grow your own’ leadership development

Many organisations explicitly employ a ‘Grow your Own’ approach to leadership development and succession planning. This can be more or less formal, but the aim is that it embeds development as part and parcel of the culture of the organisation – avoiding a sense that you only learn about leadership while on a formal
programme. Perceived benefits include an ability to develop larger numbers of leaders at lower cost (whilst still focussing more or less explicitly on high potential leaders) and the development of a wider learning and improvement culture, with experienced leaders supporting their less experienced peers to develop through coaching and mentoring as well as programmes.

Certainly, studies which ask already successful leaders what contributed to their success almost invariably find that role models and mentors were critical (West Burnham et al, 2009). For example, Tamkin et al (2010) interviewed outstanding business leaders who spoke, often vividly, of the importance to their development of having had managers earlier in their careers who had encouraged them to try new things, sometimes involving risk, and had pushed them into assuming informal leadership roles. Mistakes were seen as inevitable and as an opportunity for learning.

Drawing on such evidence, a number of studies suggest that it is critical to identify and support those with leadership potential within organisations (Earley and Jones, 2009; Barber et al, 2010; Matthews et al, 2011). The culture of the organisation should encourage all to see themselves as leaders and demonstrate that opportunities exist for development. Clear role profiling should be used in the identification of potential leaders, starting at the recruitment stage and using both informal and formal procedures, including self-identification and informal coaching.

However, Dries and Pepermans (2012) draw attention to the risk of relying on informal selection methods by untrained staff and to the difficulty of separating performance from potential. They argue that leadership competency frameworks are not suitable because they consider current performance. Instead they propose a model for assessing leadership potential (see chart 1)

**Chart 1: A model for assessing leadership potential (Adapted from Dries and Pepermans, 2012)**

<table>
<thead>
<tr>
<th>I. Analytical skills.</th>
<th>II Learning agility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Intellectual curiosity (i.e. being open to feedback and new impulses);</td>
<td>• Willingness to learn (i.e. actively looking for novel experiences that enhance learning);</td>
</tr>
<tr>
<td>• Strategic insight (i.e. having broad insight in the business and the organization);</td>
<td>• Emotional intelligence (i.e. maintaining a stable self-concept even in stressful or novel situations);</td>
</tr>
<tr>
<td>• Decision making (i.e. being decisive and assertive);</td>
<td>• Adaptability (i.e. being open to change when novel circumstances require it)...</td>
</tr>
<tr>
<td>• Problem solving (i.e. being able to solve problems well and quickly)...</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III. Drive.</th>
<th>IV Emergent leadership.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Results orientation (i.e. being motivated to</td>
<td>• Motivation to lead (i.e. naturally assuming</td>
</tr>
</tbody>
</table>

| 44 |
consistently deliver high-quality results);

- Perseverance (i.e. maintaining high energy levels even in difficult circumstances);
- Dedication (i.e. displaying a deep and intrinsic commitment to relevant goals)...

leadership responsibilities);

- Self-promotion (i.e. knowing how to create personal visibility and credibility);
- Stakeholder sensitivity (i.e. being able to identify relevant stakeholders and optimize interactions with them).

Once potential leaders have been identified, opportunities to build experience through shadowing or taking on different roles (Johnson and Campbell-Stevens, 2013), as well as access to training opportunities can be used to develop leadership skills. Coaching, both informal and formal is essential (Barber et al, 2010).

Research from the business sector (Bjorkman et al, 2013) suggests that individuals who know they have been identified as having leadership potential will be more motivated to take on additional tasks, will show increased commitment to the organisation and will seek to develop the leadership competencies that they know will contribute to their advancement. There was no perceived negative effect on those individuals who had not been identified. However Bjorkman et al’s research also points to the risk that individuals identified as having leadership potential will leave if they believe that their development needs are not met.

Illustrative reports on the impact of ‘Grow your own’ programmes in the education sector are available from the USA (Gutmore and Gutmore, 2009; Reille and Kezar, 2010; Scott and Sanders-McBryde, 2012) together with case studies of examples of the approach in schools in England (Barnes, 2010). Matthews et al (2011) provide case studies of good practice within groups of schools, which have clear strategies for identifying and developing leaders from recruitment and through their early years in teaching.

One particular approach worth noting in schools is school to school support. This describes the support provided by a successful school to another that is struggling: for example, middle and senior leaders from the successful school might be based in the struggle school for a period and work with the staff to improve. While this primarily a school-improvement approach, Ofsted (2010) has noted that it is also a powerful leadership development approach for the leaders involved.

5.4.3 The importance of systematic approaches and focusing on middle leaders

Gordon (2007) describes the ‘intentional’ leadership development approach at Microsoft, where the company first identified where they wanted to be in the long term and then considered the employees, the culture and the leadership competencies that would be required to fit this future vision. Leadership identification and development was planned to find and develop these competencies and to match the career stages and transitions within the organisational structure.

However, such systematic approaches appear to be rare. The Chartered Institute for Personnel Development (2013b) found that although organisations recognised the need to develop leadership, middle managers were a neglected group compared to chief executives and senior managers, despite their importance in engaging the
staff who were closest to the product or service. Middle managers also have a key part to play, as the closest role models, potential coaches and mediator of development opportunities in the identification and encouragement of future leadership talent.

The importance of organisational support and recognition of the contribution that can be made by skilled middle managers is reinforced by research for The Kings Fund (Bagnall, 2012), which examined the impact of development programmes for junior clinicians. Bagnall interviewed a sample of doctors who had participated in various leadership development programmes two or more years after completion. Although the individual benefits of all were acknowledged, the application of their leadership skills to the benefit of their organisation as a whole was dependent on the extent to which this was encouraged or disregarded.

5.4.4 The challenge of evaluation

Although the literature provides several examples of what is considered good practice in leadership development, reported evaluations of impact which include measures other than participant responses at the end of the course are relatively rare.

A number of researchers (Riley and Stoll, undated; Development Guild DDI Inc, 2002; Kodz and Campbell, 2010) agree that evaluation of the impact of leadership development on organisational, locality or systems performance is extremely challenging because of the difficulty of finding appropriate measures and because the number of other variables which contribute to performance over time makes it hard to attribute a causal link.

As a result, most evaluation, where done at all, is based on outcomes and impact for individual participants. The Development Guild DDI Inc. report, commissioned by the Kellogg Foundation report argues that ‘Theories of change and logic models enable programs to articulate the relationship between the inputs (resources and activities), outcomes, and long-term impact’ (p16), with the evaluation planned from the start. An example of such an approach in practice is given by Stoll et al (2010, 2011) from a leadership development programme for junior clinicians working in the NHS. The impact evaluation model used suggests indicators for impact, not just on the participants, but on the organisation as a whole and its stakeholders. A recent example from education is offered by Earley and Porritt (2013), who point to the importance of baseline data and clarity about what is to be achieved by any development programme, particularly its impact on student outcomes.

5.4.5 Key messages from the interviews

All interviewees invested in the leadership development of their staff in a range of ways and all saw it as an essential capacity building role of senior leaders.

5.4.6 Spotting talent and designing teams

The first task is make sure you attract and appoint the best possible people.

Incentivize churn of older staff leaving the organization – to make way for younger talent. Don’t be an organization that stagnates at the top / senior tier.

Get the appointment process right, invest time – it pays back in fewer instances of underperformance.

Leaders appoint and invest in those brighter than themselves.
What do I look for? That someone relates to the team. How do they exercise authority, for example in meetings? How do they take people with them? Are they organized? The degree to which they are critical of me. How are they perceived by others?

Make the most of probation periods – don’t appoint in post till individual tested through probation, then appoint.

The next task is to create talent pipelines.

Great brands attract great talent – get them applying to you and invest in them. Build them as a group and give them the opportunity to learn from and ‘spark off’ each other.

Have clear criteria for assessing talent – be transparent about the standard you expect.

Identify talent, name them (in BP they call them ‘turtles’), and make them stand out. Have 10 – 15 year development processes.

The importance of being able to design high performing teams was recognised by several, since this will not only be key to high performance but will also create a learning environment for talent to develop:

How you pick the team is really really important. I spend more time on it than I used to – it pays dividends. Interviews, talking widely, talk to people they have worked with, triangulate; don’t use tests but sometimes use situational exercises.
5.4.7 Powerful professional learning: apprenticeships, feedback, networks and stretch

The interviewees were clear that future leaders would be intrinsically motivated to learn, although the opportunities provided still had to be credible:

Motivation to learn – will it help me do my job better, will it help me get the next stage promotion, do I rate the people leading it?

Structured learning on the job was seen as key by the interviewees. They emphasised that professional development should be seen as the norm and that this required a strong focus on regular and effective feedback.

The best way to develop leadership is very clear specific feedback delivered immediately afterwards. For example, if you have observed someone in a meeting, saying afterwards “when you intervened, you made three points, two had been made by people previously but you didn’t acknowledge this, if you had of done it would have got them on side” or “you intervened too late in the meeting to have any influence”.

Access to networks, credible peers and informal mentoring support were also common themes. A number of interviewees stressed the important of linking leadership development and CPD to annual development plans for individuals.

Organisations need to build the acquisition of knowledge, skills and wisdom.

Leadership development is best done through field work practice - because leaders need both generic and technical expertise.

‘On the job’ bespoke, individual assessed and tested regularly.

The best professional development is linked to the job, learning from credible peers. Leaders need time out – reflection and time to sharpen their knowledge and skills ‘pit stops’

We have an apprenticeship model – senior partners as experts, linked to annual development plans.

The best development is generally stretching:

Professional development needs to be designed for discomfort and stretch.

There is an expectation there will be opportunities. For example, speaking events I cannot attend, a team member will go and give the face-to-face input, I am connected by video conference. She gets the experience of delivering to 500 people, we do the questions and discussion together. I also do a lot of joint writing with team members – not like HEI professor who puts name to things – this is joint authorship.

People acquire practical wisdom through understanding risky operations and quite often fail – in order to learn they should be allowed to fail in order to learn, but be protected from above from any unnecessary fall out.
5.4.8 Dealing with underperformance

The final theme in this section was around how leaders tackle underperformance. All interviews stressed the need for speed and decisiveness coupled with good, immediate and ongoing feedback to individuals. Some highlighted the need to look at reasons for underperformance and to take a differentiated approach:

Distinguish between those who are underperforming and not good and those who are good but underperforming at the moment. Different strategies are needed.

Be aware of those in senior positions who have lost their motivation and are ‘tired’ – what will rejuvenate them – what else do they have to offer to the organisation?”

We watch the more senior people very carefully in first six months – if something isn’t working out it usually shows up early, so track it early so it’s easier to make a change.

Tackle it quickly with feedback and follow up action. Not tackling it head on can be a factor.

Address the culture – high expectations and intolerance of underperformance must be visible in all aspects of the culture.

Be clear about the culture – you are either improving or you go ‘it’s up or out’.
Link performance to impact.

They may be working their socks off but not delivering what is needed – you have got to have an adult conversation, you either succeed in persuading them to take other opportunities or there has to be a parting of ways.. ultimately, the organisation runs for the clients, not the employees.

5.5 Key innovations

• Many schools are developing ways to make Joint Practice Development a core methodology for staff learning. This can mean redesigning how CPD time is spent, with more time for learning in small groups rather than in formal sessions. Evidence based approaches such as Lesson Study can provide a way in to such changes.

• Evidence from schools is clear that senior leaders need to prioritise their focus on ‘promoting and participating in staff professional learning’. Some senior teams audit how their time is spent on this to ensure it is enough of a priority.

• A number of organisations now recruit for values rather than competencies, as a way to enhance diversity and quality.

• Others have made diversity an improvement issue not an equity issue: so it becomes a business imperative, helping the organisation to understand its diverse client group.

• Some leaders have organised focussed sessions to look at the data on staff diversity and to explore whether current recruitment and development practices are working.

• The NHS has recognised that if leaders are brought in from other sectors they need a sustained and focussed induction if they are to learn the culture and become successful.

• Many organisations have ‘grows your own’ in-house leadership development programmes and initiatives. These might include formal programmes run by experienced staff and training for coaches and mentors across the organisation.
5.6 Implications for post-16 sector

Both the literature on leadership and management and the interviews of leaders from other sectors suggest the importance of:

- Creating an expansive learning environment inside the organisation for all staff to work on the development of leading learning and teaching.
- Continuing to develop subject expertise alongside pedagogic excellence and maintaining specialist communities of practice.
- Focusing on the issue of succession planning by talent spotting at all levels of the organisation and providing support and challenge for potential new leaders both inside and outside the college/independent training provider. This might include work shadowing, authentic problem-solving tasks in context, internships, use of informal and formal networks and role models, mentoring and coaching, as well as private study and professional development courses.
- Building a robust culture of evidence-based decision-making and the sophisticated use of data to drive improvement.
- Developing an inclusive culture within all aspects of the organisation, from recruitment practices to professional learning opportunities in order to make equal opportunities a reality and to make creative use of all the talent within the organisation.
- Establishing strong but inclusive accountability systems and rigorously evaluating the impact of leadership and leadership development programmes.
6. Conclusions

This review has identified three overarching challenges for leaders in the Education and Training Sector (ETS) as they lead in what appears to be an increasingly volatile environment. It has drawn on evidence from the literature and interviews with leaders and key thinkers from other sectors to identify practical learning and implications for ETS leaders.

Leaders across all sectors appear to be facing increasingly volatile environments. These environments are a factor of austerity and policy changes, in particular in the public sector, but are also driven by wider technological and socio-economic shifts which have accelerated the pace of change. Volatile environments require new skills and abilities from leaders – for example in relation to partnership working and system leadership along with the perennial need for sound organisational leadership and management.

The overarching messages for ETS leaders from this study include: know yourself, your values and what you’d resign for; know your team and the organisational culture; know your business and your distinctive position in a globalised and changing world; engage staff in the change process and invite contrasting perspectives; focus on the core business and embedding change, but remain outward facing and in touch with the needs of your clients; invest time in modelling and creating an inclusive, aspirational learning culture; be bold and rethink how you work when necessary, including by forming new partnerships, recognising that you and others will make mistakes if you are to innovate; distribute and grow leadership at every level, particularly middle leadership.

We noted the view of one interviewee in Chapter 2, who said that the Further Education sector needs to see itself as a ‘turnaround sector’; it looks ‘dated and declining’ and needs to consider bringing in talent from other sectors to galvanise improvement. This may not be a fair or fully informed assessment, and it clearly relates to FE rather than the whole sector, but we feel it provides an important challenge for leaders and sector bodies to consider as they plan for the future.

Finally, two important questions to consider are around:

- whether ETS leadership differs from leadership in other sectors?
- whether the needs of ETS leadership have moved on since the LSIS report was published in 2010?

In relation to the first question, this study has not included an in-depth look at current leadership in the ETS sector, since this is the subject of other studies recently commissioned by the Education and Training Foundation. What is clear is that the messages from the literature and leaders in other sectors do appear to resonate with the challenges facing ETS leaders identified in stage 1 of this study. Inevitably, leaders in different sectors do face different contextual challenges, while the nature of their core business determines the specific leadership and management practices needed for success. Nevertheless, previous studies on ETS leadership do compare closely with the wider literature on leadership. For example, in Chapter 3 we compared the findings from the DBIS report on leadership across all sectors with the findings from the LSIS 2010 report on ETS leadership. This comparison revealed significant overlaps, although we noted that the DBIS report is stronger in emphasising that leadership must exist at all levels in an organisation, suggesting that this may be an area that senior leaders in the ETS sector may need to focus on more.

Turning to the second question above, most of the skills and qualities listed in the LSIS report (listed in Chapter 2) are captured in this report, although some of the more technical aspects (such as procurement and commissioning) are not covered at this level of detail. This suggests that, in the main, the leadership skills and
qualities required today are not fundamentally different from those required in 2010. Where there are differences they may be more in the weight of emphasis: for example, the need for partnership working and system leadership to develop innovative, sometimes collective, solutions appears to have grown, while the weight of evidence in terms of why and how leaders should prioritise learning-centred leadership focussed on recruiting and developing talented staff and a learning culture has also developed.
Annex A: Methodology

The study involved four overlapping strands between January and March 2014. The findings will also be validated through a stakeholder workshop involving leaders from across the sector organised by the Education and Training Foundation in May 2014.

Strand 1: Rapid assessment of challenges
We started with a rapid assessment of the key challenges and opportunities faced by leaders in the education and training sector, as well as the current state of leadership development in the sector. This review was undertaken by Ann Hodgson and Paul Grainger with Toby Greany. It helped to ensure that the literature review and interviews focussed on the most pertinent issues. Their review drew on existing literature and knowledge of the sector as well as discussions with the ETF and other commissioned research teams involved in parallel studies and the Learning Conversation.

Strand 2: Literature review
The literature review was undertaken by Rebecca Nelson with Peter Earley and Toby Greany. It aimed to identify the key themes and evidence on leadership and leadership development across the public and private sectors, drawing on the key challenges identified in Strand 1. It started with a broad scoping exercise to identify a body of potential publications to review drawn from social science research, official government publications, and a variety of other sources of evidence, including internet resources. These publications were ‘weighted’ according to their quality and relevance. The synthesis of the literature aimed to identify important and recurrent themes.

Strand 3: Interviews with Chief Executives, Human Resources Directors, leadership development providers and academics from a range of sectors
The interviews were undertaken by Maggie Farrar and Jane Doughty with Toby Greany. The interviewees were identified from a long list and agreed with the ETF. The aim was to achieve a balance across domestic sectors, types of experience, gender and ethnicity. Semi-structured interview questions were developed reflecting the themes from the Strand 1. The interviewees were contacted by email and invited to participate; where initial contact was unsuccessful alternative candidates were approached. All interviewees completed a consent form. Interviews were conducted face to face or by telephone, with notes taken by the interviewer and then transcribed.

Strand 4: Reporting
Each of the first three phases led to a separate report. These were discussed at an internal team workshop, which informed the structure of the final report. The report was authored by Toby Greany with input from all the team members.
Annex B: Key challenges facing leaders in the Education and Training Sector

These challenges were identified by the team based on a rapid review of the literature and current developments in the sector (see Annex A). They informed the identification of the three core challenges that form the structure of this report.

A challenging economic context requiring changes to provision and concerns about viability for many: austerity coupled with continuing high levels of youth unemployment present a significant challenge for leaders in the education and training sector. Leaders are having to restructure provision to meet changing labour market requirements in the context of reducing public sector funding, both in relation to younger learners and, particularly, adults. New funding mechanisms, such as loans for adults, are not yet not fully tried and tested. The recent announcement of reductions in funding for 18-19 year olds will impact disproportionately on education and training providers, creating concerns about viability for many. While the government has made a real commitment to providing more opportunities for apprenticeship and routes to employment for young people, the small and decreasing number of high quality apprenticeship places and jobs with training for younger learners remains a key challenge.

Ongoing debates about the role and status of the education and training sector: This debate is not new; it reflects the lack of a legal identity for the sector compared to schools and universities and the way in which it straddles everything from 'second chance' (and, by implication, second class) vocational provision, through to high quality vocational education and training (VET), often linked to Higher Education. The sector has a longer tradition of being market responsive, but because the majority of students are only signed up for one or two years the market is volatile, with frequent changes to enrolment profiles. Raising the profile and status of the ETS and developing a shared values base across the sector is thus a difficult but important challenge for sector leaders.

Challenges and opportunities for leading learning, in particular to meet the needs of new audiences and new technologies: Raising the Participation Age (RPA) and the possibility of recruiting full-time 14-16 year olds brings new challenges, both because these young people are not attending voluntarily and because they often have a wider range of needs. Meanwhile, some ETS providers are exploring the potential for international recruitment and the formation of international partnerships to share innovative approaches to the curriculum, pedagogy and assessment. As ever, the needs and requirements of employers and emerging sectors such as ICT continue to place new demands on provision. So the professional skills required are constantly evolving, but overall the work-force is arguably now harder to train, manage and resource. Equally, new information and learning technologies, traineeships, individually tailored 16-19 programmes and work experience/internship all provide real opportunities for effective engagement.

Changing curricula and qualifications creating a turbulent landscape for providers and learners: Leaders and managers in the ETS are having to grapple with multiple, fast-moving reforms affecting both academic and vocational programmes, with major changes to assessment regimes and accountability arrangements. Working with two qualification frameworks, the NQF and the QCF brings with it not just issues for curriculum planning and delivery, but also for performance measures for 14-19 year olds. At the same time leaders and managers are having to consider innovative ways of implementing Traineeships, high quality Apprenticeships, 16-19 study programmes, including the provision of English and Mathematics for those without GCSE at Grades A*-C in these subjects, work experience, TechBacc and Traineeships, together with new ways of funding these programmes of study. While undoubtedly these reforms will bed in over time, the short-term upheaval is considerable and requires a radical rethink of curriculum strategies, pedagogy, assessment accommodation and human resource management.
Managing competition and collaboration to achieve both institutional success and coherent provision for learners and employers across local systems: Over the last decade a whole range of new institutions for 14-19 year olds has entered the ETS landscape: for example, Academies with sixth forms, UTCs, Studio Schools, Free Schools. Meanwhile, the new arrangements for careers education, information, advice and guidance (CEIAG) – with schools given responsibility for provision and the Connexions service disbanded – has enabled some schools to withhold details of college courses and Apprenticeships in order to promote their own sixth form provision, thereby creating sub-optimal progression pathways for students and recruitment challenges for ETS providers. All this has led to intensive competition between providers in many parts of the country. ETS leaders and managers have to decide the extent to which they compete, how to position their organisation within their local marketplace, which organisational form best serves this purpose and with whom and how to form alliances or partnerships; all of this with a consequent restructuring of their workforce. In contrast with these individual institutional challenges, there is a wider need for ETS providers to work with employers, local authorities, higher education providers, LEPs and voluntary and community organisations, to build collaborative local learning systems that contribute to economic development and wider civic outcomes. This places new expectations on leaders to become systems leaders within their region, in the face of intense local competitive pressures.

Building capacity, enhancing professionalism and designing effective professional learning to address the challenges: The human capital and professionalism of ETS providers will determine success or failure in the new context described above. Securing quality routes through Initial Teacher Training, continuing professional formation and dual professionalism, all linked to standards for professional qualifications, licensing and clearer promotional ladders are all key considerations. Meanwhile, the creation of effective professional learning environments which enable ongoing development and peer learning is equally important, although sometimes challenging across large and unwieldy organisations. Related challenges include the need to recruit and retain high quality staff, particularly in shortage areas such as STEM and building on new models such as Teach Too.

Managing performance and accountability: Recent policy announcements have opened up greater freedom and autonomy, but this has been accompanied by a sharper focus on accountability. Many ETS providers have found the new Ofsted framework challenging and while the 2012-13 Chief Inspector’s Report indicates a positive upward trend in improvement, there is no room for complacency. In particular, the increased focus on teaching and learning and English and Maths is proving challenging for large and complex organisations such as colleges, which have to be excellent in all areas. Alongside this, changes to performance tables, with a greater emphasis on destinations and progression, provide different challenges for ETS providers more used to focusing on considerations of qualifications outcomes and success rates. HE in FE, while proving a useful area of expansion for some FE colleges and an important progression route for many learners, still suffers from poor quality in many colleges.
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