

A Glimpse at Future Management Challenges

Mike Hudson

Compass Partnership

EU Consult

Jan 2000



Compass Partnership

Aims of this session

- **Identify the critical management challenges for UK Voluntary Sector leaders over the next five years**
- **Consider ways these leaders might respond to these challenges**



Structure

4.15 Talk to establish the key ideas (with interruptions)

History

Eight management challenges

Possible responses

5.00 ish Opportunity to challenge my propositions

5.30 End



UK historical context: 1970 onwards

- **Largest voluntary organisations grew dramatically**
- **Statutory funding and accountability increased**
- **Organisations became much more complex**
- **Public expectations increased**
- **Sector adopted new management techniques**
- **But risked losing spirit of charity**



Where did management techniques come from?

<u>Technique</u>	<u>When did it come?</u>	<u>Where from?</u>
<u>Establishment of objectives</u>	<u>Pre WW2</u>	<u>Military</u>
<u>Management by objectives</u>	<u>1960's</u>	<u>Business</u>
<u>Strategic planning</u>	<u>Late 1970's</u>	<u>Business and academia</u>
<u>Performance measures</u>	<u>1980's</u>	<u>Public sector</u>
<u>Market segmentation</u>	<u>1980's</u>	<u>Business</u>



Where did management techniques come from?

<u>Technique</u>	<u>When did it come?</u>	<u>Where from?</u>
Quality management	Early 1990's	American management gurus
Leading organisation	?	British consultants and academics
Good governance	Mid 1990's	British business
Investors in people	Mid 1990's	Government initiative
Benchmarking mentoring	Late 1990's	Private sector
Outsourcing	Late 1990's	Business



Voluntary sector has created techniques for itself

- **Management from Mission**
- **User involvement**
- **Networking**
- **Managing multiple stakeholders**
- **Others?**



Eight future management challenges

- **Missions will have to motivate people**
- **Organisations will be judged by results**
- **Cost effectiveness will measure success**
- **Accountability will increase**



Eight management challenges (2)

- **Specialisation will increase - partnerships will deliver**
- **Trading income will grow**
- **New technology will transform organisations**
- **Management and governance will be streamlined**



How should leaders respond to the challenges

- **Energetically promote the mission**
- **Invest in people**
- **Invest in technology**
- **Develop performance management systems**
- **Create strategic partnerships**
- **Re-engineer processes continuously**



Leaders face contradictory pressures

- Give direction
- invest in organisational learning
- devolve power
- streamline management
- expect commitment
- have long-term objectives.
- Adapt to changing circumstances
- short term performance targets
- maintain common purpose
- maintain motivation
- offer less job security
- work with fewer resources.



Characteristics of successful organisations

- **Leadership from visionary individuals**
- **Sharp focus on results**
- **Investment in people**
- **Enthusiasm for change**



Compass Partnership books:

Managing Without Profit, Mike Hudson, (DSC, 2000) sets out the theory and practice of creating highly successful nonprofit organisations.

Managing at the Leading Edge, Mike Hudson, (DSC, 2003) describes what can be learned from the management and governance of nonprofit organisations in the USA.

Both are available from www.dsc.org.uk

Compass Partnership

Greenbanks, New Road, Bourne End, Buckinghamshire SL8 5BZ

Tel: 01628 478561

email: info@compassnet.co.uk



Compass Partnership