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FINAL REPORT

**HR Skills Audit in the Creative
Media/Marketing Sector**

Gill Homan

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Manchester
Metropolitan
University

HR SKILLS AUDIT IN THE CREATIVE MEDIA/MARKETING SECTOR: FINAL REPORT

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BACKGROUND

This research project was sponsored by GMSA; Pro Manchester; and CIDS and funded by GMSA to the extent of £6,000.

The research was undertaken by Sue Shaw, Executive Head of the HRM &OB Division at Manchester Metropolitan University Business School (MMUBS); Gill Homan, Principal Lecturer in HRM at (MMUBS); and Principal Researcher Chris Pike, Consultant. The research focussed on skills shortages and HR processes in SMEs within the Creative Media and Marketing sector of Greater Manchester.

7. OBJECTIVES

The objectives of the research were defined as:

- a) To identify the specific leadership and workforce skills needs and gaps in the business both currently and for the future.
- b) To evaluate the current practices within the business for monitoring and meeting staff development needs.
- c) To evaluate how the business might be assisted in developing its strategy for building leadership and workforce capacity.
- d) To assess the organisation's views on effective approaches to meeting staff development requirements.
- e) To provide feedback findings to the sample companies, and to the wider marketing/creative industry community.

A copy of the research proposal is available in Appendix 1.

8. METHODOLOGY

Four case studies were undertaken within the week of 20-24 October 2008. Attempts to arrange a fifth within the available timescale proved too difficult due to the commitments of the organisation.

Each case study involved the following:

- a) A meeting with the Managing Director to establish the context of the organisation and the strategic challenges facing the business.
- b) Meetings with 3 members of the management team to focus on a skills audit.

- c) A staff focus group to input on skill challenges and processes for meeting these.

4. FINDINGS

4.1 The Case Study Organisations

The four companies have been in business for between 9 and 20 years and employ between 19 and 80 staff.

Turnover ranges from £1.4M to £7M/annum.

Some are full service marketing companies, whilst others specialize in PR or digital marketing.

They all have high profile nationally branded clients and have enjoyed year on year organic growth of between 20-30% over the last 10 years.

4.2 The Economic Context

Whilst the companies were optimistic for the future, there were signs that the current recession was having an impact on their plans. Examples of this included:

- Some pressure on margins.
- Plans for a “stand-still” year for 2009.
- Occasional bad debts being experienced in the sector, with their impact on cash flow within the SMEs.

4.3 The HR Context

Good practice in HR terms was evidenced across all the companies.

Given the pace of change within the sector, systems need to be organic and grown for purpose, flexible and up to date.

Internal communications systems, 1:1s with staff and less frequent staff appraisals, which are the keys for staff to keep in touch, were evidenced in all companies.

Employees primarily learn on the job and from their teams and colleagues.

4.4 HR Issues within the Case Study Organisations

1) Coping with company growth.

Growth brings benefits as well as problems. As the workload and order book increase, staff need to be recruited and managed. Entrepreneurs who started the business and were technical specialists now need to learn new skills in managing staff and establishing systems and processes to motivate and coordinate staff.

At critical stages, this will often mean bringing in this capability at a senior level in the form of a Finance Director, Operations Director, non-executive director, or via consultancy arrangements. At lower levels, once companies employ over 40/50 staff they may need to employ an HR specialist. All of the companies were tackling this issue in different ways.

2) Attracting and Retaining Staff

Skills shortages were experienced by most of the companies in the account manager and account director roles, and specifically within the digital/multimedia marketing specialism such as Flash programming. The universities are not producing many digital designers, which students see as the “hard” side of design.

There is often a “youthful drift to London” by young unattached professionals, which needs to be managed proactively through career development and progression processes.

Companies have links with universities through personal contacts with key tutors, giving visiting lectures, taking on student placement students, and graduate recruitment schemes. These can often be improved if reviewed routinely, so that, for example, placement students are encouraged to return as full time employees at the end of their degree studies.

3) Motivating, directing and developing staff

Morale is high in these companies, which often have “long hours” cultures. The work is stimulating and fast-paced. Whilst 1:1s occur on a daily basis between managers and their staff, few managers have received any training in coaching or mentoring, or in the skills of staff appraisal. Because of this, opportunities for corporate learning may not be as effective as they could be.

Good examples of informal learning were evidenced through such activities as “Lunch and Learn”, “Showcasing” successful work across the organisation, “Champagne Fridays”, “group huddles”, cascading seminar learning through inputs at meetings, reviews/post-mortems etc.

Staff are looking for clarity about the requirements of their current job and the learning required to be effective at the next level. Career progression is sought by young able staff, who will look elsewhere if this is not forthcoming.

4) Improving staff engagement

Linked to staff motivation is the issue of staff engagement. This relates to staff’s belief in the organisation and their commitment to it; their understanding of the organisation and its broader context; their desire for the organisation to succeed; respect for colleagues; and their willingness to ‘go the extra mile’.

Whilst the sample organisations provide information about company developments to employees, this is not always as full, frequent or transparent as employees would like. Companies are “missing a trick” if they fail to exploit the opportunities to raise staff engagement through regular update meetings which may be planned or spontaneous. This is another factor to plan into already full diaries.

Staff also want opportunities to raise concerns, make proposals in an open atmosphere – not always easy when the founder or boss may be the problem. If

forums for this are not clear, problems can easily go underground and staff turnover can inadvertently be the product.

5) Improving teamwork across the organisations

The staff focus groups were asked about team effectiveness. They felt their own small team performance was excellent, but this was sometimes reduced because of a lack of understanding and cooperation across other business functions. So business awareness and broader understanding of roles across the company can improve performance for the company and their clients.

5. CONCLUSIONS

The lessons are not unexpected. Small dynamic marketing companies depend on talented staff, working in small teams to meet tight deadlines for clients. The key HR issues for small marketing companies facing a recession are:

- Managing growth in the organisation, and possibly using the recession to strengthen managerial skills and operational processes, whilst preparing for the next growth opportunities.
- Attracting and retention of quality staff. Retention of key staff will be a priority in a recessionary climate.
- Motivating, directing and developing staff, so that they individually, and in teams, focus on meeting client needs as creatively and cost effectively as possible.
- Improving staff engagement, so that additional discretionary effort is applied to providing clients with more than they expect.
- Improving teamwork coordination across the company, so that synergies are achieved in the integration of expertise in pursuit of client satisfaction.

All these are strategic issues that company boards should be addressing and reviewing on a regular basis.

6. OUTCOMES

6.1 The project was committed to three outcomes:

1. Individual confidential feedback and an action plan for each participating organisation. These were delivered by email and followed up with a half hour feedback session with the CEO of each participating organisation. Each report reflected on the strengths; challenges faced; and recommendations for consideration by each organisation
2. Wider dissemination to the industry was achieved by:
 - a) an article in the Creative Times
 - b) a breakfast workshop held on 2 December 2008 (presentation ohps in Appendix 3)
3. An academic conference paper. A proposal has been submitted to the UFHRD conference on 10-12 June 2009. No confirmation of acceptance of this paper has yet been received.

6.2 The Breakfast Workshop

This was an interactive workshop attended by some 25 small business people and plus representatives from the sponsoring agencies.

After a brief introduction to the research and its outcomes an HR checklist as issued to all participants and feedback on both these questions and the findings of the research was discussed.

This resulted in the three broad initiatives to be taken forward by MMUBS and GMSA:

1. Successful bid for funding to develop two management learning modules for the GMSA Advanced project at level 7.
2. The development of a series of CEO Masterclasses
3. A development workshop for top team building.

APPENDIX 1

PROPOSAL TO UNDERTAKE AN HR / SKILLS DIAGNOSTIC FOR GMSA

INTRODUCTION

This proposal represents a response to a request from Adele Edgar of GMSA to undertake a HR Skills Audit within five companies within the marketing sector, feeding back both to the individual organisations and the wider SME community at an awareness raising event. The project will be delivered through the Centre for Professional Personnel & Development (www.business.mmu.ac.uk/cppd) and will utilise a well established and successful research tool developed within MMUB and its Centre for Enterprise for use in SME's and specific expertise of the HRM & Organisational Behaviour Division.

OUTCOMES

1. An individual report for each company which profiles key areas in the organisation in terms of the leadership team; workforce; organisational structures, policies and procedures with the aim of helping the owners/directors to develop a HR strategy that will build their overall business strategy.
2. Provides a skills audit which defines strengths and development needs key areas, to enable a strategic approach to workforce development and leadership development.
3. Audit current training and development activity and objectives at all levels in the organisations (including leadership and management).
4. Organisation views and preferences for training provision within the Manchester area at all levels
5. An action plan appropriate to the context and resource availability of the organisation
6. Participate in an event disseminating the results and key learning points to the wider SME community.

PROJECT OUTLINE

Stage One (To be completed by 17 October 2008)

The research team will spend the equivalent of one full day with each organisation. During that time, they will:

- Meet with the owner/manager/MD to establish the context of the organisation (1hour)

- Undertake an organisational skills audit by meeting with key members of the management team (5-6 hours)

Stage Two (To be completed 31 October 2008)

The research team will:

- Analyse the findings to produce a draft report the content of which will be verified by the owner/manager/MD
- Production of final report and action plan as detailed above including a profile of leadership in and across key areas across the business

Stage Three (November 2008)

Presentation of findings at Awareness Event November 2008

Research Tools

The project will utilise semi structured interviews, a CIPD HR assessment tool, and 'Leading Edge' a business profiling tool developed specifically for use with SME's by MMUBS's Centre for Enterprise. This tool has been used successfully with amongst others financial and legal services sectors, manufacturing and creative media companies. It provides feedback in written and easy to assimilate graphical format.

PROJECT TEAM

Chris Pike Associate Lecture & Consultant
Sue Shaw Executive Head HRM and OB Division
Gill Homan Principal Lecturer in Human Resource Management
Brian Peat Researcher Centre for Enterprise

FEE:

£ 6000.00

CONTACT DETAILS

Gill Homan email: g.homan@mmu.ac.uk

Tel: 0161 247 3952 (no messaging service at present)

Fax: 0161 247 6304

Mob: 07518086383 (messaging service)

APPENDIX 2
The HR Checklist

MARKETING SKILLS RESEARCH PROJECT

HR CHECKLIST

STRATEGIC QUESTIONS			
	Yes	To Some Extent	No
Does the Board or leadership team routinely discuss top team development?			
Have you identified the next steps in “Growing the business” in terms of: <ul style="list-style-type: none"> • Strategy development? • Policy development? • Systems development? • Organisational structure changes? • New skills required in the team 			
In relation to skills shortage areas, have you a strategy for managing these?			
OPERATIONAL QUESTIONS			
Are there transparent and clearly articulated career structures?			
Do staff get opportunities for work shadowing colleagues in complementary areas of the business?			
Are your managers trained in the skills of: <ul style="list-style-type: none"> • Conducting selection interviews? • Conducting staff appraisals? • Conducting 1:1 performance reviews? • Managing staff using a “coaching” style? • Providing timely feedback to staff colleagues? • Providing company information to colleagues in an inspirational way? 			
Is staff retention an issue?			

If so, do you have strategies for managing this?			
If necessary, have you a redundancy policy and procedure in place?			
Are disciplinary and grievance policies and procedures available to all?			
Are there informal and formal processes for staff to raise issues of concern with their superiors?			
CULTURAL QUESTIONS			
Do staff get opportunities for occasional social activities?			
Are informal opportunities for learning provided routinely via such events as: <ul style="list-style-type: none"> • Showcasing successful practice? • Champagne Fridays? • Reviews/post mortems? • Reflecting on learning implications during 1:1 sessions? • Cascading learning from seminars or professional body meetings? 			
Are meetings run using principles which will encourage creative thinking?			
Is raising business awareness a priority for other new and established staff?			
Are there opportunities for both upward, lateral and downward communication for all staff?			

APPENDIX 3

Breakfast Workshop OHPs

MARKETING SKILLS RESEARCH WORKSHOP

Workshop Programme

- **Objectives of research**
 - **What we did**
 - **Outcomes**
 - **Participant reflection**
 - **Challenges of survival and growth**
 - **How can we help?**
-

Research Objectives

- **Identify leadership and workforce skills gaps.**
 - **Look at current workforce staff development practice.**
 - **To ascertain the organisations ' views of the most effective staff development options/ initiatives.**
 - **To develop initiatives that will meet these needs.**
-

What we did

- **Four companies employing between 17 – 80 staff were involved in the research.**
 - **All the companies are successful members of the SME marketing services community in Manchester.**
 - **Conducted in depth interviews with CEOs.**
 - **Conducted in depth interviews with representatives of the management team.**
 - **Held a focus group in each company with between 4 and 9 members of staff.**
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- **Outcomes: Strategic Issues**

- **Top team development:**
 - a) not routinely discussed even in appraisal
 - b) need for external stimulation
 - **Managing growth:**
 - a) doing managing
 - b) structure and systems
 - c) new skill requirements
 - d) managing the culture
 - **Identifying and managing key skills shortages**
-

Outcomes: Operational Issues

- **Career progression and development**
 - Provision of informal learning opportunities**
 - a) secondment and work shadowing
 - b) 'lunch and learn'
 - c) showcasing best practice
 - d) cascading learning from professional body events
 - e) Developing managers' people skills
-

Outcomes: More Operational Issues

- **Staff issues in the economic downturn**
 - a) redundancy
 - b) morale and staff engagement
 - **Communication**
 - a) upward and downward
 - b) effective briefing on new projects
 - **Retention – key staff and skills**
 - **Staff appraisal systems**
-

Outcomes: Cultural Issues

- **Maintenance of informal staff social activities**

- **Effective induction into very close knit teams**
 - **Building effective mixed creative teams**
 - **Capturing the creativity of teams**
 - **Business awareness at all levels**
-
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Participant Reflection

- **Using the issued HR checklist benchmark your organisation against these issues by:**
 - **Identifying whether they are relevant to your organisation**
 - **Identifying any other related issues**
 - **If time permits, prioritise these issues for your organisation**
-
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Issues for Survival and Growth

- **Doing to managing**
 - a) **options for founders**
 - b) **buy in or grow expertise**
 - **Structure and systems**
 - a) **structural options**
 - b) **systems versus spontaneity**
 - **New skills requirements**
 - a) **people skills** b) **finance** c) **systems**
 - d) **organisation and HR**
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Issues for Survival and Growth 2

- **Culture**
 - a) **maintain culture as size increases**
 - b) **client distance**
 - c) **work-life balance/burnout**
 - d) **ensuring staff engagement**

How can we help? -1

CEO Masterclass Series :

- monthly short seminars
 - key leaders in the field
 - alternative perspectives on key strategic issues
 - practical and highly focussed
 - opportunity to network
 - limited to a maximum of 15 CEOs
- sample subjects include: business strategy; financial

planning; restructuring for growth; managing creativity and innovation; systems thinking and technology

How can we help? - 2

- **Manager Development in practical people skills:**
 - **Blended learning – flexible delivery**
 - **Performance management focus**
 - **Talent development focus**
 - **How to**
 - **Areas: coaching; appraisal; communication; retention; selection; feedback; team leadership**
-

How can we help? - 3

You tell us - we're listening!



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Greater Manchester Strategic Alliance

1st Floor Tesco House
149-153 Oxford Road
Manchester
M1 7EE
0161 921 8040
www.gmsa.ac.uk