

Strategy Workshops: a passing fad or delivering focus for top teams?

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'Strategy workshops' or 'away days' have become common place, but the findings of a new survey raise questions for UK organisations about how much real value they deliver.

Despite the expense and time spent on strategy workshops by senior management teams, few measure the impact of these events, according to the study published today by the Chartered Management Institute and the Advanced Institute for Management Research (AIM). Many respondents also report that these 'away days' fall short of expectations with 10 per cent saying the workshop they last attended failed to meet its objectives and over 40 per cent reporting either no or a negative impact on a range of measurable outcomes.

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The report, called 'The role and importance of strategy workshops', is the UK's first ever study into the effectiveness of strategy workshops. It reveals that almost 80 per cent of UK organisations host workshops at regular intervals. Nearly half (46 per cent) claim they occur at least once every twelve months.

However, despite their frequency, 4 in 10 also suggest they have no clear-cut impact on productivity and profitability and only one-third (34.1 per cent) think that strategy workshops improve innovation.

Yet the study suggests that, with sufficient planning, workshops can have a positive impact on business development. 49.9 per cent of organisations use workshops to challenge existing strategy and 47.4 per cent to generate new ideas. The findings also show that workshops can significantly improve internal working relationships and the overall understanding of corporate values.

According to the research, there are a number of areas where organisations could improve when it comes to strategy development:

- Preparation: the amount of time spent preparing for workshops is limited, suggesting that participants rely on their existing managerial experience when attending these events. As many as 37.2 per cent invest no more than a few hours preparing and some (8.4 per cent) no time at all.

- Participation: senior managers make up the majority of attendees at strategy workshops (76.3 per cent). However, only 33.2 per cent of workshops are attended by line managers and even fewer (22.6 per cent) by junior managers. This is despite evidence suggesting that participation in workshops can improve relationships and boost morale.

- Purpose: the triggers for holding workshops were found to be varied and include the development of new strategies (62.6 per cent) and increased competitor activity (10.3 per cent). However, the low usage of sophisticated analytical tools may be limiting the extent of systematic questioning that actually takes place.

Estimates of the cost for strategy workshops range between £10,000 and £50,000. It is clear from the report that the expenditure of strategy workshops depends on factors such as where they are held, the length of time they take and the level of managers involved. The overwhelming majority are two days or less (90 per cent), held off-site (73 per cent) and are led by senior directors (61.1 per cent).

"Organisations are clearly investing considerable time and resources in strategy workshops and with this comes high expectations. If the UK is to remain competitive, it is essential that this trend continues. However, the low levels of preparation needs be addressed if organisations are going to get better value from the process" says Mary Chapman, chief executive of the Chartered Management Institute.

AIM Senior Fellow Professor Gerard Hodgkinson, who led the study, says "Given that the major purpose of many strategy workshops is to challenge existing strategy or come up with new ideas, it is a concern that these events are typically dominated by the top team with significantly less involvement of other stakeholders. The involvement of managers and employee representatives at all levels can help bring in new perspectives and can build a sense of ownership that is needed to encourage effective implementation."

MANAGEMENT INSIGHT

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The study is published by the Chartered Management Institute and AIM following research undertaken by Senior AIM Fellows Professor Gerard Hodgkinson of the University of Leeds and Professor Gerry Johnson of the University of Strathclyde, working in association with Professor Richard Whittington of the Saïd Business School and Dr Mirela Schwarz of the University of Southampton. A total of 1,337 respondents participated in the research.

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NOTES TO EDITORS

* Figure based on a one-off two day residential event away from the office

Full copies of the research summary are available by visiting www.managers.org.uk/researchreports or hard copies can be obtained by calling 020 7421 2721.

Chartered Management Institute

As the champion of management, the Chartered Management Institute shapes and supports the managers of tomorrow, helping them deliver results in a dynamic world. The Institute helps set and raise standards in management development, encouraging performance improvement. Moreover, with in-depth research and regular policy surveys of over 71,000 individual members and 450 corporate members, the Institute has a deep understanding of the key issues. The Chartered Management Institute came into being on 1 April 2002, as a result of the Institute of Management being granted a Royal Charter.

AIM Research

AIM Research is funded by the ESRC and EPSRC and was launched in November 2002. AIM's mission is to improve understanding of management's contribution to organizational performance, and thus UK well-being. AIM's more specific objectives are: (i) to conduct research that will identify actions to enhance the UK's international competitiveness; (ii) to raise the scientific quality and international standing of UK research on international competitiveness; (iii) to expand the size and capacity of the active research base for UK research on management; and (iv) to develop the engagement of that capacity with world-class research outside the UK and with practitioners as co-producers of knowledge about management and other users of research within the UK. For more information on AIM visit www.aimresearch.org

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The Engineering and Physical Sciences Research Council (EPSRC) is the UK's main agency for funding research in engineering and the physical sciences. The EPSRC invests more than £500 million a year in research and postgraduate training, to help the nation handle the next generation of technological change. The areas covered range from information technology to structural engineering, and mathematics to materials science. This research forms the basis for future economic development in the UK and improvements for everyone's health, lifestyle and culture. EPSRC also actively promotes public awareness of science and engineering. EPSRC works alongside other Research Councils with responsibility for other areas of research. The Research Councils work collectively on issues of common concern via Research Councils UK. Website address for more information on EPSRC: www.epsrc.ac.uk/

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