

# **INFORMATION SPECIALISTS IN THE CORPORATE SECTOR: AN ANALYSIS OF THE TRAINING AND EDUCATION NEEDS FOR THE 21ST CENTURY\***

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## **Introduction**

Since 1981, the retail financial services sector market in the UK has undergone fundamental change.<sup>1</sup> Deregulation in this sector, especially the impact of the 1986 Financial Services Act, (FSA) has been an extremely potent force for change, initiating significant market restructuring and the breaking down of traditional market boundaries. The consequences of the FSA post-1986 have been far-reaching, affecting how banks, building societies, brokers and insurance companies operate. Competition intensified during the late 1980s and the 1990s, stimulating the appearance of financial service conglomerates, combining different institutions under one company holding umbrella. In such a scenario, quality information is of paramount concern to companies as it enables managers to make decisions more rapidly than their rivals, and hence obtain competitive advantage<sup>2</sup>. Such rapidity of decision-making relies, in turn, upon both the quality of the employees of the organization, and the quality/type of information they have available to them. However, it may be argued that, regardless of all the many technological advances, managers merely have 'more' information, not necessarily 'better' information. Companies may, therefore, accumulate information in too much detail, with the result that decision-making information ultimately fails to match corporate strategy.

As Axson<sup>3</sup> argues, to obtain the information you need to make quicker and better decisions, it is necessary firstly to have an effective performance measurement and

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<sup>1</sup> McGoldrick, P.J. and Greenland, S.J. Retailing of financial services. London: Bowker Saur, 1994.

<sup>2</sup> Broady-Preston, J. and Hayward, T. The role of information in the strategic management process. British Library Research and Innovation Centre report, 171. London: British Library Research and Innovation Centre, 1999. Online. Available: <http://www.dil.aber.ac.uk/dils/Research/Rfocus5/5sub2/Resource/BANK0X.htm>

<sup>3</sup> Axson, D., Collecting more data but gaining less insight Financial Executive 14 (3) 1998, 16-22.

planning process. This should help generate information that is predictive of what may happen to the business, rather than that which is reportive of what has happened thus far. To this extent, understanding the key drivers of any business is essential in obtaining predictive decision-making information, with scorecard models, such as the Balanced Scorecard<sup>4</sup> being used increasingly in the identification of such drivers.

Generally, information is recognized increasingly as a valuable and necessary commodity in the business world. A 1996 report<sup>5</sup> that examined information systems and services in twelve high performing companies concluded:

Information is seen as a valuable asset by the majority of the companies surveyed.

and

The creation of an information ethos is seen as an important step towards ensuring continued success by the majority of the companies surveyed.

Similarly, as the then Library and Information Commission<sup>6</sup> noted, information is an international commodity and knowledge underpins all successful economic activity. Thus, it is imperative that such a valuable resource is harnessed effectively by the business world, especially in the transition from an information age to an intelligence age.<sup>7</sup> In Tyson's intelligence age, companies need to both build a knowledge base of their competitive environment, and devise a perpetual strategy process to ensure it is constantly updated. Hence, the information advantage for companies lies beyond the simple activities of merely storing and retrieving information, residing rather in matching information to specific strategic processes. As Frappaolo<sup>8</sup> suggests, the value of information assets is assessed by companies based on their ability to utilize such assets to react to market demands more effectively than their competitors. Furthermore, as Pascarella<sup>9</sup> relates, Karl Erik Sveiby, the Swedish businessman who pioneered knowledge definition and

measurement in Europe, believes that information by itself is of no value; what is

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<sup>4</sup> Kaplan, R. and Norton, D. *Translating strategy into action: the balanced scorecard*. Boston: Harvard, 1996.

<sup>5</sup> Owens, I., Wilson, T. and Abell, A. *Information and business performance: a study of information systems and services in high performing companies*, London: Bowker Saur, 1996, 51-52.

<sup>6</sup> Library and Information Commission. *2020 Vision*. 1998.

<sup>7</sup> Tyson, K. Perpetual strategy: a 21st century essential, *Strategy and Leadership* 26 (1) 1998, 14-18.

<sup>8</sup> Frappaolo, C. Defining knowledge management: four basic functions, *Computerworld* 32 (8) 1998), 80.

<sup>9</sup> Pascarella, P. Harnessing knowledge. *Management Review* 86 (9) 1997, 37-40.

required is someone to interpret information and translate it effectively into knowledge. However, as Allee argues:

Thinking of knowledge as an object leads people to focus on databases and other storage devices...<sup>10</sup>

New strategic thinking is now necessary for all types of organizations for two reasons. Firstly, as Galagan<sup>11</sup> argues, companies are now equal as competitors as a result of implementing easy internal gains in performance in areas such as quality. Secondly, with such turbulence in markets, companies may create competitive advantages because of their predictions as to future directions in the market place. Such crystal ball gazing entails a new approach to strategic thinking. To succeed, companies need to have new methods for analyzing the marketplace, and for predicting customer behavior. All of which have implications in terms of skills and competencies required of the staff of the organization, and for external data collection and analysis. Clearly, information is central to effective strategic decision making, yet it is evident from the information blockages which exist, that differing perceptions are held as to the relevance or otherwise of information originating at the operational level<sup>12</sup>.

The current situation involving new strategic thinking, highly volatile markets and the importance of information, has obvious implications for those working in the field of information. Our research chose, therefore, to investigate the role of information and its relationship with strategy formulation in the UK retail-banking sector. The primary reason for our choosing to focus on the retail-banking sector is as a result of the pivotal role information management plays in this sector. This is not only in terms of externally collected data, the traditional "business information", but also in terms of the information processes involved in strategy formulation. Similarly, as indicated above, increased competition in this sector, together with rapid technological development, has meant that retail banks have had to make crucial strategic decisions since deregulation in the 1980s. These strategic decisions are concerned not only with how the banks market themselves, but are also concerned with the rationalization of banking and financial infrastructures. Strength of analysis, based upon quality information, is an essential part of this strategic process.

Furthermore, with the onset of the new millennium, research is also focusing on the 'new' role for information professionals. The British Library Research and

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<sup>10</sup> Allee, V., *The knowledge revolution*. London: Butterworth-Heinemann, 1997.

<sup>11</sup> Galagan, P. Strategic planning is back, *Training and Development* 51(4) 1997, 32-37.

<sup>12</sup> Sharman, P. Linking strategy to action, *CMA Magazine* 71(10) 1998, 26-29.

Innovation Centre, for example, funded a number of projects relating to the skills and aptitudes required for the whole range of information work, before its research function was transferred to the Library and Information Commission in April 1999.<sup>13</sup> Similarly, there is a profusion of journal articles and conference papers relating to the topic.<sup>14</sup>

One key area which many of these studies neglect, is the inexorable link between information and strategy in organizations and the extent to which information managers are an integral part of the strategic process. The problem arises over the definition of the term 'information professional' which suggests a service orientated role, pre-occupied with provision. As will be argued below, those responsible for information in retail banks see themselves much more as marketing professionals, and as such, actively informing the strategic process.

## Methodology

This paper reports some of the results of the second stage of a British Library Research and Innovation Centre funded project, investigating the role of information in the strategic management process of UK retail banks.<sup>15</sup> The sample consisted of 15 retail banks and 5 large retailing organizations with financial services arms. The latter were included to reflect the provision of retail banking from outside the traditional banking sector.

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<sup>13</sup> Although the Library and Information Commission has itself been superseded, and is now known as Resource: The Council for Museums, Archives and Libraries, the web site given below is still extant until all the funded projects are completed. Thus, these projects are described in more detail, together with full publication details at the Commission web site: <http://www.lic.gov.uk/publications/>

<sup>14</sup> See, for example:  
Blair, L. Beyond the square: career planning for information professionals in the twenty-first century, *New Library World* 101 (No. 1156) 2000, 175-179.  
Diamond, R. Enhancing competitiveness in the information age: strategies and tactics for special librarians and information professionals, *Information Today* 15(4) 1998, 82-87.  
Garrod, P. Skills for the new information professionals (SKIP): an evaluation of the key findings, *Program* 32(3) 1998, 241-263.  
Griffiths, J. The new information professional, *American Society for Information Science Bulletin* 24(3) 1998, 8-12.  
Proceedings of the German-Dutch University conference, "Preparing the future: information specialists for the 21st Century", Hanover, 14-15 October 1999. Fachhochschule Hanover and Hogeschool Ijeslland Deventer, 1999. CD-ROM. Also Online. Available: <http://conference99.fh-hannover.de/>

<sup>15</sup> Broady-Preston, J. and Hayward, T. op. cit.

The first stage of the project involved an exploration of the attitudes of strategic managers in retail banks.<sup>16</sup> The second stage of the project, to which this paper relates, involved an investigation of strategic information from the viewpoint of information managers. Initially, a questionnaire was distributed, achieving a response rate of 85%. Of these managers, 76% agreed to participate further in the study by taking part in a personal interview.

### **Changing nature of information activity**

Given the volatility in the financial services sector, as outlined earlier, we were interested to explore the potential impact of a turbulent environment on those engaged in information-related activity. The following reply is indicative of the degree of change and development experienced during the last five years:

[Our department's role has changed] in two ways. One is that it has a broader remit...which includes analysis of customer databases and geographic systems. The second thing is the degree to which we are pro-active in acquiring, processing and disseminating information out to the business, as opposed to waiting for people to come and ask us a question and then going to find an answer to that question.

This emphasis on the management of customer information was mirrored in other organizations and reflected a change in the functional area in which information services were located. One manager commented that her department was now responsible to the Marketing department, and as a result, made greater contributions to marketing strategy. The contact with the marketing or customer side of the business was an issue of increasing importance for such services. Generally, banks had become more strategically, rather than operationally focused, hence a wider role for information.

In addition, managers believed that information services generally had a higher profile within retail banks as a result of the way in which information professionals presented and marketed information throughout their organizations. This is illustrative of the changing role of the information professional in retail banking, moving from a passive and reactive role to becoming pro-active, supplying information in advance of its being requested.

The emphasis on an internal marketing approach was evident in several organizations. Managers believed that it was essential to sell their services actively to senior management, and simultaneously raise awareness of their activities across

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<sup>16</sup> Broady-Preston, J. and Hayward, T. Turbulent change: strategy and information flow in UK retail banks, *Journal of Information Science* 24(6) 1998, pp.395-408.

the whole organization. The development of such an internal marketing role may be related directly to the need for an information strategy. As one manager commented:

That is something I'm continually trying to get more in concrete at Board level. I'm currently chairing a working party within the Group, where one of my prime functions is to make sure we can do all this work on knowledge management but we have to have senior executive or Board level approval, and from that I believe the bank will have a strategy for information.

Thus, one of the key problems for those working in information, is for the use of information to be recognized as a strategic issue. Once this is accepted by senior executives, then information strategies can be developed. Possibly, the increasing emphasis on customer information, as a source of competitive advantage, provides a way forward here, if the use of such information can be related very clearly to the needs of the business.

Despite involvement with information dissemination, there were clear statements from the majority of managers outlining their wish to move away from a traditional service role. Such views were given impetus by the integration of the information services function with departments that had a customer or market orientation. Common to all respondents, however, was a perception that without the information they provided, banks would find it very difficult to operate at all. The range and importance of the information supplied by information managers to strategic decision-makers, is reflected in the following description of the work of one information manager:

We produce on a regular basis, key documents about strategic issues to do with planning. We put forecast packages together on how we see the industry or economy going for the planners and strategists in the group to make decisions. The information that we're gathering...is the key to how they make those decisions.

#### **Information analysis and the role of the information professional**

The questionnaire responses showed that information managers placed most importance on market and competitor information. Surprisingly, slightly less emphasis was placed on customer information. This may be attributable to the continuing perception by a small minority of managers, that their role is purely reactive and therefore, customer information should be the responsibility of other departmental areas. Whilst managers made use of traditional information sources such as reports and on-line databases, interestingly, less use was made of the Internet.

The importance of 'market' information to retail banks, adds credence to the view that information managers should be able to develop market research skills, in addition to undertaking business analysis. Market research was an integral responsibility of many of those interviewed:

Probably between one half and two thirds of the team would refer to themselves as market researchers. The others would be doing analytical tasks of different sorts or analytically based work...

In a number of cases, internally produced market research or business analysis was supplemented by research which was bought-in or 'off the shelf', which could then be customized by the information manager. Thus, the information manager may be directly involved with market research, or with coordinating external suppliers, or simply with coordinating the research from across the organization.

Both the interview and questionnaire responses established a positive link between market and customer information, and strategic decision-making. However, the extent to which the information professional was involved with strategy development, beyond an analysis of information, remained unclear. One possible explanation may lie in the use of the term 'information professional', as indicated below:

There's no such thing in this organization as an information person. Everyone is in a finance function, or strategic planning function, or a marketing function, and part of their role is information... you've got to produce models and train people within other functions how to use them and you don't get away with simply giving out information and hoping that someone uses it.

Similarly, one manager commented that employees were expected to be information professionals within their own area, but the bank would not seek and recruit an information professional per se. Other information managers felt that the term 'information professional' related solely to external consultancies:

I could see a role for them but again it would be an ad hoc consultancy type basis. Again, being the nature of this organization, we would probably not want to go down that road too often. We shoot from the hip really so it's not something we would contemplate.

Despite their roles as information managers, some respondents clearly felt that the term 'information professional' related to a person with a very traditional, library based, set of skills, bearing no relationship to themselves or the work of their organization. As one remarked:

I think I'd struggle to define in my own mind what they'd be bringing to this organization. If what you're referring to is someone who could help us sort and disseminate information, then yes... but I remain to be convinced in the short term, that what they would bring to the part would not be an immense oversimplification of what we need to achieve.

Where the term 'information professional' was recognized in retail banks, it was associated with roles and responsibilities far beyond a set of traditional search and retrieval skills:

Because we haven't got an information strategy as such...this is something I'm involved in at the moment at a very high level within the Group, to try and get that recognized far more and for people to recognize the skill of the information specialist. I mean to me it's absolutely key to the strategy of information; it's changing the culture of a large organization to ensure that people recognize the value of information and the information specialist.

Given these responses, information managers were asked at interview whether they actually considered themselves to be 'information professionals'. The majority of managers did not regard themselves as information professionals but rather as managers with marketing skills:

Yes to an extent, but probably more so market research and market analysis would be more applicable... information professional to me conjures up images of big tomes and someone sitting behind them, not in the real world at all.

This view was reiterated thus:

I mean I'm a marketer first and foremost and the skills which I have, which are even less prevalent in the rest of the company, is to be able to interpret information correctly, by which I mean being able to pick up what is an incipient breaking trend before it is statistically obvious to the entire world.

Whilst an understanding of the marketplace and customers was obviously information based, the important role for information managers demonstrably lay in the interpretation of that information, as evidenced by the following:

I would classify myself as a marketing person rather than an information professional because we can make a difference if we do the right analysis and it is useful... we can spot an issue or we may think there's an issue and do some research into it, and then report on it, and then someone will hopefully take notice if it's done correctly...

These views reinforce the above results, i.e. those working in the information area need to market themselves effectively and, in so doing, facilitate the process of informed strategic decision making:

I would say that I was an information marketer because I feel my key role at this moment is not providing information but it's basically getting people to use that information.

Of those who viewed themselves as information professionals, such a view was often qualified:

Yes, I suppose I could be considered as an information professional, but as long as it encompasses all the communication side and the marketing side...

In a similar vein, one manager referred to himself as a 'hybrid', explaining further:

I heard a distinction between information and knowledge and I would like to think that we are moving away from information work to be knowledge workers. The information itself doesn't actually produce the results, it's knowledge of what's going on.

### **Training and education requirements for information professionals**

Given the above, it was of obvious interest to ascertain information managers' views of the education and training necessary for these new roles. Thus, their views on this issue were sought, including asking them to assess the value and relevance of their own qualifications.

#### **Information or Business Related Qualifications**

The majority of those interviewed had either an information or business related qualification, with a stronger emphasis on the latter. When questioned as to the relevance of information and business qualifications, one manager observed:

I have to say that 5 years ago I'd probably have said no, but now I'd look at departmental recruits who have some sort of business or information related qualifications more positively. The reason for that is the growth of the industry and the way it has become a specialist function.

One respondent believed his degree to be of little relevance; unsurprising, perhaps, as it is a degree in theology!

Many stated the need for information specialists to have business skills:

I mean when I did my [information] qualification, it wasn't business orientated; it wasn't broad enough. It was too much delving into Dewey classification and God knows what else. I mean far more the technical side of the library function... information management has changed enormously, absolutely exploded within the last few years really, and I think people have to be very, very business minded.

This manager, whilst aware of the importance of information management, saw her primary function as that of a business manager, reinforcing the generally held view that experience and knowledge of the business, gave managers the ability to evaluate information effectively, and re-present it to colleagues.

### Education and Training

Respondents held strong views as to the education and training requirements necessary for their work, and the limitations of academic qualifications in this context. This latter point was reinforced in an interview with a strategic manager earlier in the project:

I feel the academic community has not successfully managed the expectations surrounding MBAs. I'm not going to learn something in 12 months that's going to convert me from being an average manager into a Richard Branson... [also] they don't teach you the basic business skills which are required to survive in an organization. Particularly they don't teach people how to communicate. There are too many people in business generally who can't write reports.

The main tenets of his views are reflected in the responses of information managers. They were eager to recruit numerate graduates, who were organized, good communicators and possessed analytical skills. One manager commented that whilst it was important to understand how information was constructed and held electronically, it was also important to relate this to the business:

Communications skills are absolutely vital. It's no good us having the biggest mainframe in the world and knowing everything that's on it, if we can't actually get across to the line managers in the business what the meaning of it all is and interpret it all for them, and communicate quite passionately to them...

The range of skills this manager sought in her staff are encapsulated as being:

an anorak with communication skills.

Demonstrably, there was a real need for employees to understand the financial services sector. As one manager remarked:

I think some business training is essential, not necessarily an MBA but you need to have a wider perspective on what an organization is, why it exists and how it works.

Such comments reinforce the view expressed earlier in respect of the need for information to be marketed throughout the organization. Indeed, one manager described the changing expectations of the role of information professionals in his organization:

[Three years ago] it was very much a library type atmosphere. It didn't get anyone's motivation going because you want people to apply imagination to the information that they've already got, to use it.

One of the key roles for this department currently, was to make decision makers aware of available information and to sell it internally. Consequently, he held the view that it was important to employ people who could therefore sell information and work effectively within a team. This emphasis on the importance of teamwork was reinforced by the views of another manager, elaborating on the role of her department:

I don't see us as a function where we just sit here and people come to us. I have a totally different view these days, totally turned on its head. We have got information we can sell to the rest of the Group. We are there in a communicator role and it's absolutely crucial that people can communicate and communicate well; whether it's written, whether they're doing a summary of a report or whether they're able to communicate by giving short presentations... so it's very, very different from a traditional library/information role.

Whilst some managers were eager to employ people who had a library/information qualification, this was not always regarded as essential:

I think almost any sort of degree [is useful], in that a lot of what we're doing is report writing and presentations and generally analyzing information for other people to use...

Again, specific qualifications were not always regarded as of paramount importance. Information managers believed that the academic rigor which is a part of any degree was useful, together with good personal and analytical skills, plus:

An interest, an avid interest, an enthusiasm for information, to be interested in what you are looking at and to have the enthusiasm to look at things and to think, why is it relevant?

This view was reflected by another manager:

You really do need hybrids who can understand the business and how it works... if the data says something that is obviously wrong, rather than telling the business, they filter it and go back and re-question what the information is telling them. But they also need to understand technology because an information worker really needs to know how to get the best answer, to understand how the data is structured. These traditionally are skills that people in information areas didn't need.

Indeed, one manager stated categorically that she did not regard information/library qualifications as important; banking qualifications and a

knowledge of the business sector were of more importance. Thus, with regard to information retrieval skills, for example, she believed it was relatively easy to send well-motivated staff on short training courses to acquire such skills:

I've got a couple of people who've never had any knowledge of on-line information at all and they're absolutely first class... we get free on-line training from all of these suppliers [and so] people go off on one of those courses.

## **Conclusion**

Clearly, the role of information managers/professionals is in a state of transition within the UK financial services sector. Few information managers regard the department where they work as a library or even an information center. This may be due to the increasing emphasis placed on customer information and market research, which means that those responsible for information often work in the marketing areas of an organization. This latter move towards their being placed organizationally within such areas may be viewed as encouraging, especially when coupled with their being more actively involved with the interpretation of information for strategic decision-making.

Furthermore, it is apparent that information managers need to be pro-active in marketing their services within their organization, and to be prepared to analyze and disseminate information, rather than simply respond to ad hoc enquiries. Indeed, information managers are generally unhappy with remaining in what they regard as a traditional service role. This may explain why traditional library qualifications were not regarded as essential for those working in the sector. Similarly, training is required to provide the skills necessary to participate actively in strategy formulation. If information professionals do not possess such skills/abilities, they will find themselves on the margin of activity in their organizations. Thus, we believe, our results have obvious implications for the future design of education and training schemes in our field.

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