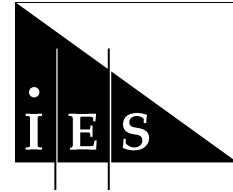


Management Development: the issues

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Two forums were held with a wide cross-section of IES member organisations from both private and public sectors during the period January - March 2001.

The purpose of this note is to provide an overview of the main themes and issues to emerge during the days. It is intended as a resource to members of the Employee and Management Development Research Network who were not able to attend the events.

Current and future business issues: the management challenge

The context in which organisations see themselves operating has some important consequences for the management development agenda.

- Intense competition in many markets demands operational efficiency, speed of response to the customer and therefore innovation and creativity. Creativity in particular is seen as currently lacking. The same issues appear in the public sector as the 'modernisation' agenda.
- In some organisations, faster and more flexible response will be achieved by working with multiple business partners as well as achieving effective cross-boundary working internally. Managers are seen as lacking some of the interpersonal skills required to work across boundaries/cultures. In the public sector, attending to multiple stakeholders (the public, the government, staff, partners, community groups *etc.*) is a major challenge.
- Some of the rapid change is caused by shifts in ownership (mergers, de-mergers, acquisitions) or significant internal re-structuring. Such changes cause peaks in job movement and managers who need to settle into their new roles. In de-merger, a smaller business may have to become self-sufficient in management development instead of relying on a large corporation. The alignment of corporate culture post-merger is a significant challenge for management development.
- Managers need to be able to motivate and lead change. The shift to an 'empowering' style of management is seen as having a long way still to go.
- The ability to understand other organisations (especially competitors) is seen as increasingly important.

- Business skills, at both strategic and profit centre levels, are a priority for management development.
- Technology and e-business are clearly high profile. The immediate need is for managers who understand more what technology could do.
- Businesses see issues of ethics, the environment and social responsibility as increasingly important and requiring a mature management response.
- Many of these factors lead to a strong case for 'equipping managers to deal with a changing world' through being both effective change agents and learners. The ability to look ahead is also seen as a scarce skill.

Some of the demands on management development come from issues which are more specifically concerned with employment:

- the general 'war for talent' and the need to respond to what good people, especially the best graduates, are seeking from their employers
- the increasing globalisation of labour markets for the best people, and the need to manage development globally in international companies
- shortages of good managers in some specific sectors or functions. Some present complex career and development challenges.
- in some situations 'burn-out' of top people restricts both the candidate pool and the length of time people are willing to stay in critical jobs. Life-work balance for executives is seen as a real – and unresolved – issue.
- the integration of higher level and mid-career recruits is a big challenge in organisations which have grown most of their managers from within
- in some sectors, the under-representation of women and ethnic minorities in senior positions is seen as an important issue.

Current practice in management development

Some aspects of current practice were as expected:

- the continued use of competency frameworks, although not limiting development to that rigorously defined in terms of competencies
- strong emphasis on personal and 'soft skills'
- an increased use of, and interest in, forms of management development which are tailored to individual needs and often close to the job: coaching; mentoring; action learning; projects

- small group activity is a part of this same trend: learning through cross-functional teams; learning sets
- the continued use of feedback in the form of development centres and 360 degree feedback.

A few aspects of management popular in recent times now seem to be on the wane.

- Several organisations were not satisfied that investment in funding MBA study had represented good value. Cost, relevance and staff retention were issues here. Some MBA schemes had been dropped, others were being reviewed.
- Some of the same reasons – high investment and relative inflexibility – seemed to be reducing the popularity of consortium based programmes.
- There was little mention of outward-bound programmes.

Interesting practice

Some interesting examples of current practice included:

- mentoring of ethnic minority students while still at university as a means of encouraging recruitment
- coaching to support teams as well as individuals
- the increasing use of non-executive directorships as a means of learning at first hand about other companies/sectors
- the concentration of external executive coaching resources into a limited timeframe around a key transition
- increasing use of groups mixed by level in management training. A move away from assuming that grade determines learning need.
- education programmes which give the employee the choice part-way through the programme as to whether to carry on to take an accredited qualification. This is seen as a means of encouraging those who might be wary of academic assessment.
- the use of internal conferences and seminars to improve organisational as well as individual learning. More appropriate for technical knowledge than personal/experiential learning.
- graduate trainees finding their own job swaps in other countries through the company Intranet.

Management development issues

In the small group and plenary debates, a number of themes and issues were discussed. These included:

The focus for management development

Should management development focus on the 'basics' (*ie* enduring management skills), functional skills, or specific business issues (likely to change rapidly over time). The consensus, unsurprisingly, is that all these components were important. Functional development was seen as having been rather neglected in the 1990s – the era of generic competencies. The 'basics' will remain crucial and organisations which had disbanded corporate management development felt that some groups of managers had missed out on basic skills and knowledge. Most of the participating organisations aspired to some clear – usually modular – structure of management skill training.

Development targeted at specific business issues (*eg* customer loyalty; post-merger integration; e-business) was increasingly important. What matters here is speed of response of the management development function to the business need. Time taken to develop a response to a specific need varied from a few months (acceptable) to several years (too slow).

The form of management development

Individual or collective?

There is a desire to keep some training collective, partly for reasons of efficiency and consistency (*eg* formal training courses) but also because the social aspects of learning are important. Small group learning (*eg* learning sets, team learning) is in some way a mid-ground between formal courses and the more solitary models of one-to-one support or self-study.

Mandatory or voluntary?

Although there was agreement about the need for 'the basics', there was an interesting debate about whether all managers should be forced to attend certain training modules or whether it should be voluntary. This is in part a matter of management culture and responsibility for development as part of wider accountability for people.

Internal or external?

There was a distinct preference for external providers of management training as the more expert and flexible resource. The internal 'management trainer' then needs to shift to a consultant or procurement role which some find a difficult transition. Some

still had large internal provision, sometimes used mainly for technical/functional training.

Centralised or devolved?

Some organisations were re-centralising management development after a period of devolution and fragmentation. Even in devolving organisations there was desire to have a fairly corporate framework for management development. Mergers and demergers presented special challenges in the integration or separation of management development.

Accredited or not?

Accreditation was the main plank of public policy in education in the 1990s. Companies are now more dubious about its role in management learning. MBAs are seen as expensive and high risk. Companies do not want to build their training about the needs of an institution or qualification rather than around the needs of the business.

One response is to bring educational institutions in-house to get a more tailored approach. It remains to be seen whether the education system can meet employers half-way in providing accredited learning which does not involve 'long dissertations of little relevance to the business'.

Theory and practice in learning

Although much learning theory has slipped into the vocabulary of management development (*eg* double loop learning, learning styles) there is little evidence that it is used much in practice when it comes to the design of interventions. For example, does management development really support diverse learning styles?

Some business challenges (*eg* entrepreneurial skills) require careful thinking about whether they can be 'taught' or are better learned in another way.

Competencies and Frameworks for Development

A framework for describing 'basic' management skills was seen as very important, both as a means of providing a definition of management and also as a means of structuring delivery. However, the continual updating of competence frameworks was 'a chore and a distraction.' Perhaps we should aim to make such frameworks more robust and stick with them for longer. Definitions and training modules can always be adjusted within a more stable over-arching framework.

Job families, or 'talent pools', are ways of highlighting the skill needs and career options for sub-groups of the management population with different kinds of jobs.

Reinforcing behaviour change after the course

The old chestnut of supporting learning once people get back to their jobs was discussed. In part, learning closer to the job should reduce this gap. One organisation provided a useful illustration of how other facets of culture change (especially in the promotion system and organisation structure) were supporting the espoused change in leadership style and accountability.

From passive to active learners

The public sector organisations still felt managers were too passive about their development and 'waited to have it done to them.' Others felt that wider societal change would, in time, create more demanding and self-motivated learners. There was agreement that all employees, especially managers, needed to become active learners.

It was accepted that this required the company to provide better information about its strategy and consequent demands for changing management skills.

Addressing the needs of the whole management population

The forms of individualised management development which have become popular in recent years have been used mainly on senior populations or other selected small groups (*eg* graduate trainees, high potential schemes, affirmative action). Some of these approaches (*eg* 360 degree feedback) have been extended to larger groups, although often with reduced attention to feedback. Formal mentoring, executive coaching and learning sets require considerable support from HR unless individuals can be helped to set up such support for themselves.

Will we all be executive coaches?

Executive coaching is clearly a hot topic. It is philosophically attractive as a vehicle for providing tailored, work-related development spanning both functional, personal and business skills. It is also in tune with self-managed learning.

However, participants had their doubts about the wisdom or practicality of extending external coaching to the management population as a whole. It seems likely that external coaching will remain of interest for a while longer and may find its place as meeting specific needs for fairly small populations. For the bulk of managers, internal coaching seems a more realistic prospect.

Other concerns included:

- the need to ensure that development centres and other forms of feedback (*eg* 360 degree) really do lead to development not just assessment

- the equal opportunity issues raised by informal personal support such as mentoring. Equal access to such support is hard to ensure and had arisen in legal disputes.
- approaches to development are fragmented and there is an issue about making the frameworks/processes simpler, clearer and easier for everyone to understand
- a major concern with the evaluation of all development activity.

A vision of the future

Our inability to predict the future was seen as a central problem in management development. However, that did not prevent us from sharing some thoughts about what a positive future for management development might contain:

- training and development leading the business not following it. Maintaining investment in 'bad times'.
- continued emphasis on 'learning to learn', active self-managed learning and the desire to tailor training to individual need. Likely continuation in the use of 360 degree feedback. Open information on (a) what the company requires in terms of values, functional skills, business awareness and (b) what learning opportunities are available. Getting the individual to do more of the work in organising their own learning.
- basic management training in place with a process to ensure that individuals do receive the training they need. Using internal provision only where quantity of demand is significant and high quality can be provided.
- additional learning targeted at specific short-term business needs and delivered quickly
- continued emphasis on both informal and facilitated group learning. Finding new ways for people to share their learning both electronically and by meeting others.
- more emphasis on evaluation and organisational learning
- increasing use of e-learning, although not necessarily seen as dominating or substituting for other forms of learning
- new ways of working with educational institutions to deliver relevant and challenging business education
- a greater role for professional bodies/networks in individuals' learning. Companies need to understand what support these varied bodies are offering their employees.

- a strong external focus through networking (at individual and organisational levels) and non-executive directorships, secondments *etc.*
- stronger pools of internal mentors and coaches and the encouragement of individuals to take more responsibility for finding someone to support them (perhaps from some kind of internal database)
- more transparent succession planning systems and a reduction in ageism in identifying and developing 'high potential' (with more women included in such groups)
- HR taking a lead with the development of its own people.

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