

Management Development

Key concepts and terms

- Action learning
- Management development
- Development centre
- Management succession planning

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- Management development policy
- How managers learn and develop
- Informal approaches to management development
- An integrated approach to management development
- Criteria for management development
- Management development strategy
- Formal approaches to management development
- Development centres
- Responsibility for management development

Introduction

Management development is concerned with improving the performance of managers in their present roles and preparing them to take on greater responsibilities in the future. It has been described by Mumford and Gold (2004) as ‘an attempt to improve managerial effectiveness through a learning process’. Management development activities are associated with talent management, as described in Chapter 34.

A systematic approach to management development is necessary because the increasingly onerous demands made on line managers mean that they require a wider range of developed skills than ever before.

SOURCE REVIEW

The abilities managers need, Tamkin *et al* (2003)

- To empower and develop people – understand and practise the process of delivering through the capability of others.
- To manage people and performance – managers increasingly need to maintain morale whilst also maximizing performance.
- To work across boundaries, engaging with others, working as a member of a team, thinking differently about problems and their solutions.
- To develop relationships and a focus on the customer, building partnerships with both internal and external customers.
- To balance technical and generic skills – the technical aspects of management and the management of human relationships.

This chapter covers management development policy and strategy, approaches to management development and the responsibility for management development.

Management development policy

A management development policy provides guidelines on the approach an organization adopts to the development of its managers. It is operationalized by a management development strategy. Mabey and Thompson (2000) state that management development policy consists of three variables: 1) the existence of written management development policy statements, 2) the degree of organizational priority given to management development, and 3) who takes responsibility for driving management development in the organization (the individual or the organization).

This is how a large engineering company expressed its management development policy.

Management development policy

- The main long-term object of management development is to find ways in which the company can produce, mainly from within, a supply of managers better equipped for their jobs at all levels.
- The principal method by which managers can be equipped is by ensuring that they gain the right variety of experience, in good time, in the course of their career. This experience can be supplemented – but never replaced – by courses carefully timed and designed to meet particular needs.
- The foundation of management development must be a policy of management succession, ie a system which ensures that men and women of promise, from the shop floor upwards, are given the sequence of experience which will equip them for whatever level of responsibility they have the ability to reach.

Management development strategy

A management development strategy will be concerned with the programmes the organization proposes to implement to develop its managers. It will be business-led even though it may focus on the development of individual performance and potential. The business has to decide what sort of managers it needs to achieve its strategic goals and the business must decide how it can best obtain and develop these managers. Even when the emphasis is on self-development, as it should be, the business must still indicate the directions in which self-development should go, possibly in the broadest of terms, but explicitly nonetheless.

The strategy will be based on an analysis of the future needs for managers that is conducted by means of human resource planning and talent management (see Chapters 29 and 34). Forecasts can be made of the numbers and types of managers required to meet business needs and to cater for management succession. It is also necessary to assess the skills and competencies managers will need to meet future demands and challenges arising from competitive pressures, new product-market strategies and the introduction of new technology. This can be done through performance management processes that identify development needs and potential, and lead to the agreement of personal development plans.

Priorities for management development

Hirsh *et al* (2000) suggest a number of priorities for management development. These are:

- combining a strong corporate architecture for management development with a capability for ‘just in time’ training and local delivery to meet specific business needs;
- providing better information and advice for individual managers on how to think about their future direction in career terms and their learning needs;
- mainstreaming the skills required to manage self-development and to support the development of others; these skills include those of ‘manager as coach’ but also go wider and include informal career mentoring;
- finding ways of delivering more stretching and stimulating management development to the whole population of managers, not just those in very senior posts or identified as ‘high potential’.

Approaches to management development

The approach adopted by the organization is to provide support through a range of related activities such as performance management, development centres, personal development planning, coaching and mentoring. A rigid, organization-wide programme is not essential, although management development interventions such as those described in this chapter need to be made.

The extent to which management development activities are programmed depends on the organization: its technology, its environment and the type of managers it employs. A traditional bureaucratic/mechanistic type of organization may be inclined to adopt a more programmed approach, complete with a wide range of courses, inventories, replacement charts, career plans and results-oriented review systems. An innovative and organic type of organization may dispense with some or all of these mechanisms. Its approach would be to provide its managers with the opportunities, challenge and guidance they require, seizing the chance to give people extra responsibilities, and ensuring that they receive the coaching and encouragement they need. There may be no replacement charts, inventories or formal appraisal schemes, but people know how they stand, where they can go and how to get there.

The approach to management development should be based on an understanding of how managers learn and develop, and of the use of formal and informal methods of development and development centres.

How managers learn and develop

It has often been said that managers learn to manage by managing – in other words, ‘experience is the best teacher’. This is largely true, but some people learn much better than others. After all, a manager with 10 years’ experience may have had no more than one year’s experience repeated 10 times.

Differences in the ability to learn arise because some managers are naturally more capable or more highly motivated than others, while some will have had the benefit of the guidance and help of an effective boss who is fully aware of his or her responsibilities for developing managers. The saying quoted above could be expanded to read: ‘Managers learn to manage by managing under the guidance of a good manager.’ The operative word in this statement is *good*. Some managers are better at developing people than others, and one of the aims of management development is to get all managers to recognize that developing their staff is an important part of their job. For senior managers to say that people do not learn because they are not that way inclined, and to leave it at that, is to neglect one of their key responsibilities – to improve the performance of the organization by doing whatever is practical to improve the effectiveness and potential of its managers.

However, to argue that managers learn best ‘on the job’ should not lead to the conclusion that managers should be left entirely to their own devices or that management development should be a haphazard process. The organization should try to evolve a philosophy of management development that ensures that deliberate interventions are made to improve managerial learning. Revans (1989) wanted to take management development back into the reality of management and out of the classroom, but even he believed that deliberate attempts to foster the learning process through ‘action learning’ (see Appendix D) are necessary.

Formal approaches to management development

Management development should be based on the identification of development needs through performance management or a development centre making use of the following formal approaches.

Formal approaches to management development

- Coaching and mentoring.
- The use of performance management processes to provide feedback and satisfy development needs.
- Planned experience, which includes job rotation, job enlargement, taking part in project teams or task groups, ‘action learning’, and secondment outside the organization.

- Formal training by means of internal or external courses.
- Structured self-development following a self-directed learning programme set out in a personal development plan and agreed as a learning contract with the manager or a management development adviser.
- Competency frameworks can be used as a means of identifying and expressing development needs and pointing the way to self-managed learning programmes or the provision of learning opportunities by the organization.

Informal approaches to management development

Informal approaches to management development make use of the learning experiences that managers come across during the course of their everyday work. Managers are learning every time they are confronted with an unusual problem, an unfamiliar task or a move to a different job. They then have to evolve new ways of dealing with the situation. They will learn if they analyse what they did to determine how and why it contributed to its success or failure. This retrospective or reflective learning will be effective if managers can apply the lessons successfully in the future.

Experiential and reflective learning is potentially the most powerful form of learning. It comes naturally to some managers. They seem to absorb, unconsciously and by some process of osmosis, the lessons from their experience, although in fact they have probably developed a capacity for almost instantaneous analysis that they store in their mental databank and which they can retrieve whenever necessary.

Ordinary mortals, however, either find it difficult to do this sort of analysis or do not recognize the need. This is where informal or at least semi-formal approaches can be used to encourage and help managers to learn more effectively.

Informal approaches to management development

- Getting managers to understand their own learning styles so that they can make the best use of their experience and increase the effectiveness of their learning activities – the manager's self-development guide by Pedler *et al* (1994) provides an excellent basis for this important activity.
- Emphasizing self-assessment and the identification of development needs by getting managers to assess their own performance against agreed objectives and

analyse the factors that contributed to effective or less effective performance – this can be provided through performance management.

- Getting managers to produce their own personal development plans – self-directed learning programmes.
- Encouraging managers to discuss their own problems and opportunities with their manager, colleagues or mentors to establish for themselves what they need to learn or be able to do.

Development centres

Development centres consist of a concentrated (usually one or two days) programme of exercises, tests and interviews designed to identify managers' development needs and to provide counselling on their careers. They offer participants the opportunity to examine and understand the competencies they require now and in the future. Because 'behaviour predicts behaviour', centres offer opportunities for competencies to be observed in practice. Simulations of various kinds are therefore important features – these are a combination of case studies and role playing designed to obtain the maximum amount of realism. Participants are put into the position of practising behaviour in conditions very similar to those they will meet in the course of their everyday work. An important part of the centre's activities will be feedback reviews, counselling and coaching sessions conducted by the directing staff.

Development centres use similar techniques to assessment centres, but in the latter the organization 'owns' the results for selection or promotion purposes, while in the former the results are owned by the individual as the basis for self-managed learning.

The integrated approach to management development

An integrated approach to management development will make judicious use of both informal and formal methods and, possibly, in larger organizations, development centres. The five governing principles are set out below:

The reality of management

The approach to management development should avoid making simplistic assumptions about what managers need to know or do, based on the classical analysis of management as the

processes of planning, organizing, directing and controlling. In reality managerial work is relatively disorganized and fragmented, and this is why many practising managers reject the facile solutions suggested by some formal management training programmes. As Kanter (1989) has said: 'Managerial work is undergoing such enormous and rapid change that many managers are reinventing their profession as they go.'

Relevance

It is too easy to assume that all managers have to know all about such techniques as balance sheet analysis, discounted cash flow, economic value-added, etc. These can be useful but they may not be what managers really want. Management development processes must be related to the needs of particular managers in specific jobs. Those needs should include not only what managers should know now but also what they should know and be able to do in the future, if they have the potential. Thus, management development may include 'broadening programmes' aimed at giving managers an understanding of the wider, strategic issues that will be relevant at higher levels in the organization.

Self-development

Managers should be encouraged to develop themselves (self-directed development) and helped to do so. Performance management and mentoring can provide this guidance. Programmes can be set out in personal development plans.

Experiential learning

If learning can be described as the modification of behaviour through experience then the principal method by which managers can be equipped is by providing them with the right variety of experience, in good time, in the course of their careers, and by helping them to learn from that experience. Action learning, as described in Appendix D, is a good method of doing this.

Formal training

Courses can supplement but never replace experience and they must be carefully timed and selected or designed to meet particular needs.

Responsibility for management development

The traditional view is that the organization need not concern itself with management development. The natural process of selection and the pressure of competition will ensure the survival of the fittest. Managers, in fact, are born not made. Cream rises to the top (but then so

does scum). Management development is not a separate activity to be handed over to a specialist and forgotten or ignored. The success of a management development programme depends on the degree to which all levels of management are committed to it. The development of subordinates must be recognized as a natural and essential part of any manager's job, but the lead must come from the top.

Management development was seen in its infancy as a mechanical process using management inventories, multicoloured replacement charts, 'Cooks tours' for newly recruited graduates, detailed job rotation programmes, elaborate points schemes to appraise personal characteristics, and lots of formal courses operating on the 'sheep-dip' principle (ie everyone undergoes them).

The role of the organization and individuals

The true role of the organization in management development lies somewhere between these two extremes. On the one hand, it is not enough, in conditions of rapid growth (when they exist) and change, to leave everything to chance – to trial and error. On the other hand, elaborate management development programmes cannot successfully be imposed on the organization. As Peter Drucker wisely said many years ago (1955): 'Development is always self-development. Nothing could be more absurd than for the enterprise to assume responsibility for the development of a man (sic). The responsibility rests with the individual, his abilities, his efforts.' But he went on to say:

Every manager in a business has the opportunity to encourage individual self-development or to stifle it, to direct it or to misdirect it. He should be specifically assigned the responsibility for helping all men working with him to focus, direct and apply their self-development efforts productively. And every company can provide systematic development challenges to its managers.

The ability to manage is essentially something that individuals mainly develop for themselves while carrying out their normal duties. But they will do this much better if they are given encouragement, guidance and opportunities by their company and managers. In McGregor's (1960) phrase: managers are grown – they are neither born nor made. The role of the company is to provide conditions favourable to faster growth, and these conditions are very much part of the environment and organization climate of the company and the management style of the chief executive. The latter has the ultimate responsibility for management development. McGregor (1960) made this point as follows.

McGregor (1960) on the individual's responsibility for management development

The job environment of the individual is the most important variable affecting his (sic) development. Unless that environment is conducive to his growth, none of the other things we do to him or for him will be effective. This is why the 'agricultural' approach to management development is preferable to the 'manufacturing' approach. The latter leads, among other things, to the unrealistic expectation that we can create and develop managers in the classroom.

It is remarkable that today some people are still reciting these well-established principles as if they had just discovered them.

The role of management

Management development is not a separate activity to be handed over to a specialist and forgotten or ignored. Its success depends upon the degree to which it is recognized as an important aspect of the business strategy – a key process aimed at delivering results. Top management must therefore be committed to it. Senior managers should recognize that an important aspect of their jobs is to play an active part in developing their managers, although those managers should take the main responsibility for their own development with help and support as required.

The role of HR and learning and development specialists

However, HR and learning and development specialists still have an important role to play. They:

- interpret the needs of the business and advise on how management development strategies can play their part in meeting these needs;
- act as advocates of the significance of management development as a business-led activity and make proposals on formal and informal approaches to management development;
- develop in conjunction with line management competency frameworks that can provide a basis for management development;

- encourage managers to carry out their developmental activities and provide guidance as required;
- provide help and encouragement to managers in preparing and pursuing their self-directed learning activities;
- act as coaches or mentors to individual managers or groups of managers;
- plan and conduct formal learning events.

Criteria for management development

The effectiveness and value of any approach to management development include the extent to which it:

- links to organizational goals and context – and so has relevance for the organization as well as for individuals;
- builds on and develops the qualities, skills and attitudes of participants;
- is supported by appropriate HR policies to do with recruitment and selection, reward, talent management and succession planning;
- has the full commitment of those responsible for the operation of the process;
- is motivating to those encouraged to participate in it.

Management development – key learning points

Management development policy

A management development policy provides guidelines on the approach an organization adopts to the development of its managers. It is operationalized by a management development strategy.

Management development strategy

A management development strategy will be concerned with the programmes the organization proposes to implement to develop its managers.

How managers learn and develop

Managers learn to manage by managing under the guidance of a good manager.

Formal approaches to management development

- Coaching and mentoring.
- Performance management.
- Planned experience.
- Formal training.
- Structured self-development.

Management development – key learning points (continued)

Informal approaches to management development

Informal approaches to management development make use of the learning experiences that managers come across during the course of their everyday work.

Development centres

Development centres consist of a concentrated (usually one or two days) programme of exercises, tests and interviews designed to identify managers' development needs and to provide counselling on their careers.

An integrated approach to management development

An integrated approach to management development will make judicious use of both informal and formal methods and, possibly, in larger organizations, development centres.

Responsibility for management development

Individual managers are largely responsible for their own development but need guidance, support and encouragement from their own managers and the HR function.

Questions

1. Someone once said in arguing against a laissez faire approach to management development that 'cream rises to the top but then so does scum'. What arguments would you use in favour of planned management development?
2. Peter Drucker wrote (1955): 'Development is always self-development. Nothing could be more absurd than for the enterprise to assume responsibility for the development of a man (sic). The responsibility rests with the individual, his abilities, his efforts.' Douglas McGregor also wrote (1960) that, 'The job environment of the individual is the most important variable factor affecting his (sic) development. Unless that environment is conducive to his growth, none of the other things we do to him or for him will be effective. This is why the "agricultural" approach to management development is preferable to the "manufacturing" approach. The latter leads, among other things, to the unrealistic expectation that we can create and develop managers in the classroom.' Apart from the use of the masculine pronoun, how relevant are these comments today? If they are relevant, what do they tell us about management development policies?

Questions (continued)

3. From your managing director: 'We recruit a lot of able graduates every year but as your figures tell me, few of them stay long enough to become managers and in my experience not many of them make good managers. I am not in favour of lots of formal and often irrelevant training courses. What else can we do?'

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