Management development

In the preceding chapter it was seen that training focuses very much on developing competencies needed to perform particular tasks and roles. It is concerned, in the main, with the present and the immediate future, with meeting customers' immediate needs. However, organizations also need people, the managers, who are able to interpret external environmental influences, plan ahead, organize resources, develop and interpret control information and motivate the workforce. To ensure that such people are available when and where needed, organizations operate, explicitly or implicitly, management development systems. Some systems are sophisticated, involving the constant monitoring of individuals' performance, progress and careers. There are other systems, however, consisting in the main of poaching managers from other organizations.

Whichever approach is adopted, management development is likely to become more challenging in the near future – for various reasons. These include

1 increased competition between employers
2 increased development needs and expectations of management
3 flatter organizations with fewer promotion opportunities
4 internationalization of markets and operators
5 shortage of younger people; more older people
6 the role of Continuing Professional Development (CPD)
7 the expectations of those available to join or rejoin the labour market, e.g. women returners, ethnic minorities, retired people.

In particular, a further issue needs to be confronted by employers. Management in the UK is among the least qualified when compared with major competitors abroad. The 1995 Grant Thornton European Business Survey showed that 56% of the UK's managers had some formal business education compared with an EU average of 72%. Within the hospitality industry literature, there has also been criticism of the offering of management training and development, much of it being reactive and unplanned responses to difficulties rather than linked closely to business objectives (see McGunnigle and Jameson, 2000). It is also true, however, that major hospitality chains are amongst those service businesses to have developed 'management academies' or management training centres, in an attempt to inculcate management training and learning into a clearly developmental culture. The importance given to corporate culture within multi-site companies has also been a boost to the significance of strategic-level management development plans and activities, exemplified by the recent programme of training and development within the Compass Group, impacting on all its 400 000 worldwide workforce.

Management development may be defined as those activities designed to provide the organization with a competent management team which is able to meet its short-, medium- and long-term objectives. In particular, management development has been defined as 'the intersection of three variables – individual career, organizational succession and organizational performance' (Lees, 1992: 91). Again we see the strong threads to business strategy and performance management (see Chapters 2 and 7), where the planned training and development, such as executive courses, events and mentoring, attempt to satisfy the strategic aim of merging the career development aspects of HR with the priorities of the business, including frequently in an ever changing environment a major component of change management processes (Mabey and Salaman, 1995).

To achieve this an organization needs to plan for natural replacement caused by retirements, resignations, deaths, etc., and it needs to ensure that sufficient competent management is available for expansion plans. However, in a healthy organization these plans must also extend to satisfying each individual's reasonable aspirations; for example, if an employer stands in the way of an employee's trying to obtain a recognized qualification, by not allowing adequate time-off, the employee will almost certainly place his qualification before his job and seek an employer who will assist him. Plans that accommodate only the employer's needs may result in dissatisfaction, frustration, low morale and high labour turnover.

The senior management of an organization must therefore ensure that adequate plans and resources exist to recruit, motivate, train, develop, obtain commitment from and retain its existing and future management. This is all part of management development, but in this chapter only the planning of management succession and the development of individual management skills will be discussed. Other aspects of the full management development function, such as recruitment, induction and appraisal and reward systems, are dealt with in other chapters.

Succession plans

In larger organizations management development and succession plans will be interdependent. The approach to succession planning itself will vary according to an organization's own needs. In an organization that operates within one large homogeneous market (McDonald's, for example) it may be possible to develop all

an organization's management along similar lines. In another organization, operating in very different markets with very different products (Whitbread, for example), it may be necessary to develop managers specifically for particular market segments – the managers of Whitbread's Marriott hotels may need very different development and succession plans compared with managers of their David Lloyd Sports Clubs or their Brewer's Fayre Pub chain.

Succession planning has two main elements. First, there have to be decisions regarding the sources of future management. These may be all home-grown or developed internally, or they may be recruited from other organizations or there may be a mixture of both sources. Secondly, there is the process needed to identify management needs and the individuals to fill these needs. In small organizations this will be a simple informal system because senior management is likely to know everyone with potential. In large organizations complex, formal systems may be needed because of the large number of job opportunities, managers and potential managers involved. There will also be a need to manage the entire process so that an appropriate management team results.

A succession plan is produced by comparing future management requirements with currently available management. In order to do this, organization charts may be drawn up, which show the structure of the undertaking at the present time and at various future dates; e.g. in three months, one year, three years or five years. Each job shown may have two boxes immediately next to it or under it in which the names of suitable successors can be inserted. A replacement form is shown in Figure 9.1, and a succession chart in Figure 9.2.

Position	Present job holder	Most suitable replacement Put present job in brackets	Second recommendation Put present job in brackets
Hotel Manager (Splendide)	J. Jones	A. Smith (Food and Beverage Manager, Splendide)	R. Barker (Front Office Manager, Grand)
Promotion potential		Ready for promotion	Promotable with training
Training and/or development needed		None	Food and beverage experience needed
Signed by	J. Jones	Date	20/1/96
Approved by	J. Walker	(Area Manager)	

**Figure 9.1** A management succession or replacement form
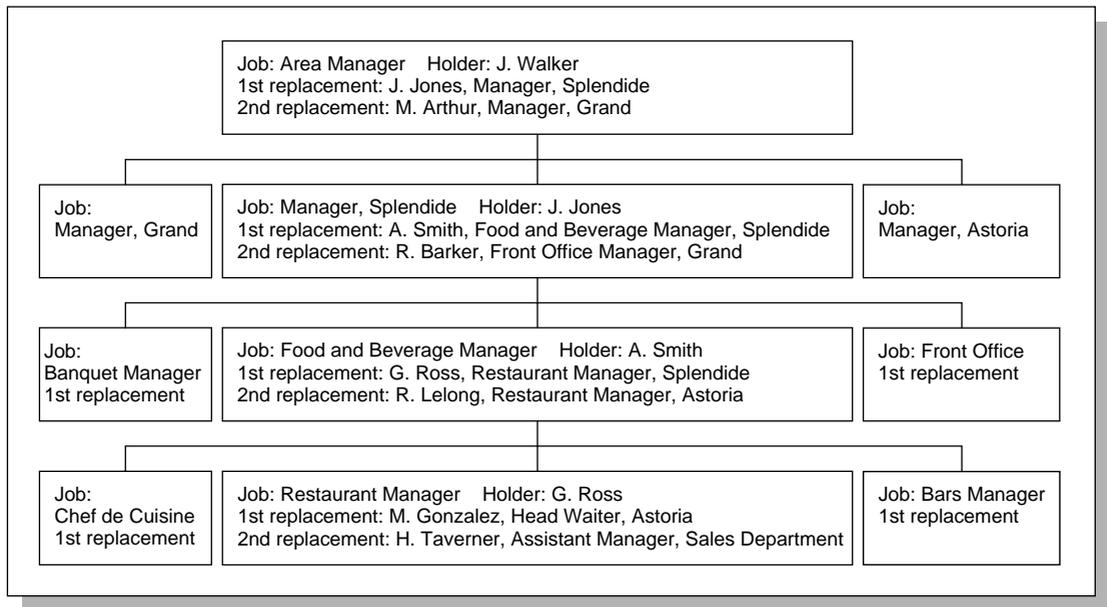
Figure 9.2 A succession chart

The names shown in Figures 9.1 and 9.2 would result from discussions between the most appropriate levels of management, using appraisal reports as a basis. This emphasizes the need for a section on promotion potential to be included in the appraisal report. Increasingly, promotion potential is being assessed through the use of assessment centres (see Chapter 5).

So long as the basis for discussion is that replacement will be due to normal retirement, accident or the voluntary departure of the incumbent, the most appropriate levels of management to be involved in discussions will be:

1 The present holder of the job for which a replacement is being discussed.
2 The present jobholder's superior.
3 The superiors of those proposed as replacements.
4 A member of senior management who is fully aware of future plans.
5 A personnel specialist (if one is employed).

In some cases one person will fulfil more than one of these roles. The final plan, particularly for the more senior levels, must carry the approval of senior management.

In order to identify likely successors in the first place it is common practice to ask each member of management to nominate those he or she considers to be the most suitable as successors. However, where this is done it must be recognized that there may arise a danger of rigid departmental career paths, whereas in some cases inter-departmental transfers and promotions will be more desirable in order to broaden the experience of individual managers.

In the largest organizations, which break down into regional or functional operating companies, the danger of sitting on talent, consciously or unconsciously, has to be avoided. This can be achieved by all management above a certain level of seniority

being dealt with as a group resource, in which case appraisals and other management development processes will be monitored by a central department.

Increasingly in multinational companies such approaches to management and staff development make use of interactive computer-based systems.

What do managers do?

Before designing detailed management development plans it is important to consider what managers do so that the development plans meet the needs of the organization and of the individual. The Council for Management Education and Development suggested that there are a number of management competences which fall into three main levels. These are concerned with different issues according to the seniority of the managers concerned. An example is shown in Figure 9.3.

Management level	Management competences				
Supervisory/ operational/ junior					
Middle/tactical	Managing systems	Managing people	Finance management	Changing systems	Political sensitivity
Senior/strategic management					

Figure 9.3 Competences needed by middle management

This can be expressed in other ways. As a person moves up the organizational hierarchy, tasks will change from mainly routine ones, concerned with supervising operations, to non-routine interpretation of management information and organization of change. The question of management competencies also needs to be seen in the context of the international, multi-cultural nature of many hospitality firms, though such competencies could be seen as essential in any environment. The CIPD (1999) findings in this area are instructive, with key competencies required being summarized as: people or relationship skills, perception skills, ability to tolerate ambiguity, ability to demonstrate flexible behaviour, clear goal orientation, sociability and interest in people, empathetic and non-judgmental, and good communication skills. Some larger firms have analysed their own desired set of management competencies, and based personnel and job profiles upon the competencies identified (see also Chapter 22).

Development of managers

In accordance with the succession plan, individual training and development programmes have to be designed. It is here that an understanding of how a manager acquires his or her knowledge, skills and attitudes is vital. Although some

management knowledge, skills and attitudes may be learned through training and courses, much comes from experience. Professor Wild of Henley Management College writes, 'The most effective and enduring executive-level management development is not simply provided by courses – it is a product of experience' (*Management Today*, October 1994). From this it is apparent that people do not become managers in a classroom, although they can acquire much of the necessary knowledge and basic skills there. Most of their expertise is obtained in the hard practice of managing people in the workplace.

As Robert Craven, of Warwick Business School, writes, 'It is by learning through experience (also known as experiential learning) that the best and most effective learning takes place . . . the really powerful learning comes when we are an involved partner in the process' (*Management Consultancy*, March 1998). He goes on to say that 'the most effective activities of management development is performance management. It is a way of obtaining better results by understanding and managing performance . . . finally the glue that binds experiential learning and performance management is coaching.'

A management development programme must therefore contain a balance of formal training and planned experience (Figure 9.4 shows a rank order of the different forms of training). It is not something that operates for one period only of a manager's life. It should be updated constantly to continue throughout a manager's working life. Over a period of years, therefore, a programme may include spells in line management and in various specialist departments; for example, a young executive's first ten years with a company could be as shown in Figure 9.5.

1 Personalized experiential learning
2 Self-directed learning resources
3 Interactive simulations
4 Visual lecture aids
5 Textual material
6 Observational learning
7 Expert formal presentation
8 Impersonal passive electronic media.
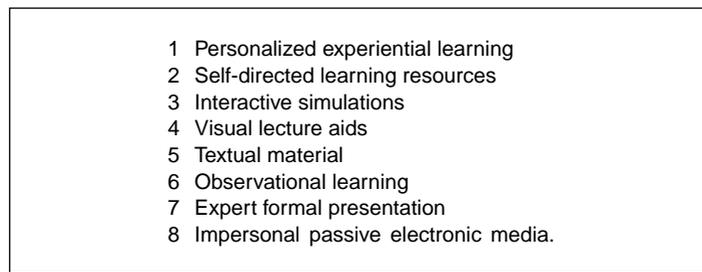
Figure 9.4 Rank order for effectiveness of training of management grades
Source: 'A Model of Excellence of Training Managers and Non-supervisory Employees in the Food Service Industry', CHRIE Conference Paper 1988. Dr Reg Foucar-Szocki, Syracuse University, USA.

During this period the executive may also attend a dozen 'off the job' courses on such subjects as

- supervisory skills
- budgetary control and forecasting
- techniques of instruction
- interviewing and selection techniques
- project planning
- finance for non-financial executives.

Year	Approximate age	Position
1	21	Trainee management programme, various departments and establishments
2–3	22–24	Junior supervisory position, e.g. assistant manager/manageress of a hotel or restaurant
4	24	Specialized function, e.g. new projects department, sales office, training department
5	25	Line management, e.g. unit management, food and beverage management
6	27	Specialist function, e.g. sales management, training officer
7	28	Assistant to area manager
8	30	Line management, e.g. manager of medium to large unit, area manager

Figure 9.5 Example of a career path for a young executive

Whether these are internal or external courses depends on the needs of the organization and the individual. Generally, internal courses are more precisely designed to satisfy the needs of the organization, whereas external courses have to be broadly based to appeal to a wider market.

The value of external courses lies to a great extent in the opportunity to exchange views with managers from other organizations, but this only has value if those attending can bring about organizational changes. This prerogative normally lies only with more senior managers and therefore the value of external courses probably increases with the seniority of those attending (so long as they are geared to their needs).

Research from the USA showed that the most effective management training, not surprisingly, was 'on the job' training (Figure 9.4).

Trainee management courses

Within the hospitality industry the approach to trainee management courses varies considerably. In some cases they will consist of job rotation through a variety of jobs for a sometimes indeterminate period of time, the length of time in each department being more dependent upon business needs than upon those of the trainee. In other cases programmes will be individually designed, taking into account previous experience such as industrial release, and the trainees' progress will be carefully monitored by the managers responsible for them.

As the first step in a young manager's career, the design of trainee managers' courses is critical. It is in the first months that the basis of knowledge and skills and, in particular, an understanding of the employer's policies, attitudes and values will be formed. During this period, however, unless worthwhile targets are set and some experience of supervision is obtained, most trainees will feel frustrated. For

this reason there are many critics and opponents of the traditional 'Cook's tour' involving spells of training in the most important departments. In some cases this criticism is well deserved because no objectives are laid down and the trainees are merely used as cheap labour, or not used at all.

However, in order to be a successful manager, knowledge and experience of certain departments are vital and the well-designed 'Cook's tour' serves this purpose; at the same time objectives must be agreed with departmental supervisors, and trainees should be given their training objectives preferably in written form. They should not move from one department to the next until departmental training objectives have been attained. Trainees should maintain training logs or diaries and, in addition, they may be given projects. Regular progress interviews should be held to ensure that the trainees' objectives are being achieved.

In considering an individual's development programme, which is updated and modified year by year, it is vital to examine both strengths and weaknesses, remembering that they may well be strengths and weaknesses only so far as the employer is concerned. In another type of organization the same characteristics may be seen in a completely different light. Ideally the weaknesses should be corrected and the strengths built upon. However, this will not always be possible, because some 'weaknesses' may not be merely lack of knowledge or skill but rather may be of a personality or attitudinal nature and these are often very difficult to correct even if it were in the individual's interest to do so. For example, a highly creative person may prefer to work as an individual. He or she may not enjoy or wish to work with others, nor to control them. The 'weakness', so far as the employer is concerned, is that he or she cannot direct or lead others, so the employer decides to give the individual 'a spell managing others' to make him or her into an all-rounder. In some cases this may work out, but in others it could have disastrous results, with the person concerned eventually leaving. Equally damaging, the individual could unsettle subordinates whom, it must be remembered, he or she may not have wanted to control in the first place. As Robert Craven writes, 'we often attempt to play at Pygmalion. We select individuals, whom we believe to have the talent and potential, and we try to make them into something which they are not (or at least not yet).'

A major research report conducted by the Council For Hospitality Management Education (CHME), *Getting ahead: Graduate careers in hospitality management* (2001), revealed interesting features regarding the growing demand for hospitality qualifications within the sample of leading firms across all sectors of the hospitality industry. Key findings included a confirmation of the importance of qualifications for career development to senior managerial roles; the developing need for management qualifications and competencies at unit manager level; the linking of in-house development to externally awarded qualifications; and the preference of the major companies for hospitality graduates because of their industry understanding and enthusiastic commitment to the sector.

The future of management development

Until recently management development in Britain was a largely uncoordinated set of dispersed activities which depended upon initiatives coming from individuals or employers or education and training institutions. The Management Charter

Initiative and other related activities are an attempt to bring some order into the present situation. They are based upon certain key principles:

1 Open access, enabling many more to benefit from management education.
2 Flexible and innovative forms of education, including distance learning and in-house projects.
3 Corporate and individual development plans.
4 A shift towards work-based assessments rather than end-of-course exams.
5 Credit accumulation which may also recognize learning acquired through experience.

In the hospitality sector, there are the professional qualifications of the HCIMA and its Advanced Certificate course, as well as a range of HCIMA-accredited programmes at universities and colleges throughout the UK, from higher national diplomas and foundation degrees to BA undergraduate and Masters level postgraduate courses. Human resource management qualifications and CPD in HRM are guided by the CIPD, and an increasingly professional HRM function within hospitality companies is leading many individuals to seek CIPD membership and professional status. The HCIMA website (accessed November 2004) includes a section on CPD, the basic principles seen as a means to

• update knowledge and skills on existing and new areas of practice
• keep professional qualifications up to date
• raise profile through certification and networking, thus increasing employability
• gaining recognition for informal CPD activities
• increasing competence in a wider context
• demonstrating commitment to the profession and feel empowered.

In the hospitality industry, in most cases, management development will remain the personal responsibility of individual managers. A number of employers, particularly the larger ones, are now offering a comprehensive range of management development options ranging right up to the MBA. The industry, however, consists, in the main, of small privately owned enterprises, and their perceptions and financial resources are likely to limit the extent to which they fund the development of their management, irrespective of the need to do so.

Further Reading and References

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Questions

1 Describe the objectives of management development and the various steps or phases that you would normally expect to find in the operation of an effective management development programme.

2 Discuss which you consider to be the most important steps in management development and why.

3 Discuss what changes are likely to be made in the future to improve management development procedures.

4 Discuss the relationship between management development and approaches to management, such as management by objectives (see Chapter 3).

5 Evaluate the approach to management development used by an employer you know well.