
Is management development fulfilling its organisational role?

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There is a high degree of uncertainty as to how well organisations are using management development to enhance their strategic performance. This article reports a survey which indicates that most managers believe there is, in reality, considerable scope for improvement in the way their organisations use management development. There appear to be a few organisations which create management development strategies or which lock management development activities into the strategic needs of the business. One solution would be for management development professionals to take a more proactive role than is currently the case in promoting its value.

In a recent article in *People Management* (Storey *et al.*, 1997) based on a survey of over 900 organisations, it was concluded that in the last ten years UK companies have seen a transformation in the state of management development. As well as the amount of training on offer being greater, increasing numbers of organisations see management development as a high priority. Further, an even larger proportion (over 60 per cent) feel that management development will remain a high priority for the foreseeable future. This change is true for both large and small businesses alike, and covers formal and informal management development methods across all levels of management.

It appears, then, that management development may at last be fulfilling its role as a "strategic tool" for organisations and growing in significance as a contributor to enhanced organisational performance. However, there is still a tendency for such investments to be based on faith that there is a causal link between management development and business performance (Miller, 1991). Indications that this may still be the case come from a number of sources. As one example, the survey referred to above found that the growing enthusiasm for management development is based on the belief (rather than anything stronger) that it will lead to beneficial outcomes for the organisation.

If current levels of enthusiasm are to be maintained, it is important to know that this faith is justified. To date, much of the support for the strategic role of management development comes from theorists.

Examples of theoretical arguments proposing some form of management development as a strategic underpinning for organisational objectives are not hard to find. One area concerns the many ideas associated with change management which usually include reference to management development workshops to "spread the new message" or to "get people operating in a different way". In a similar vein, many recent works on competitive strategy emphasise changing the culture and belief systems of organisations as critical to the successful implementation of a new strategy, which require some sort of "people development" programme to make this possible.

Others argue that organisational leadership must take responsibility for organisational improvements using the more informal aspects of management development such as senior managers coaching individuals, providing mentoring services or "leading by example" to provide the stimulus for others to follow.

Recently, such theory is increasingly supported by empirical evidence. One of the more specific empirical investigations which identified a positive link between management development initiatives and the performance of both individuals and their organisation is provided by Winterton and Winterton (1997). Their conclusion was that this link is enhanced when development initiatives are closely tied to an organisation's strategy and there are clear definitions of the outcomes expected of individuals from the development activities. The research is not conclusive but does encourage the view that the impact of management development on organisations can be quite specifically measured.

Taken together, these provide firm grounds for the faith placed in management development's strategic potential. However, it is important to note that there are also strong indications that management development is not always so well managed or highly regarded. A typical example would be a recent article by two management development academics and practitioners from the States (Pickering and Matson, 1992). They pointed out that many excellent management development courses often fail to enable the individuals who attend them to achieve significant organisational change. The main problem is a lack of any support for the individuals once they return to their organisations. Indeed sometimes, they noted, the reception bordered on hostility leading to disappointment and frustration on the part of the individuals concerned.

The inference is that problems do not necessarily lie with management development courses on which organisations may send people but with organisational issues. This is supported by the wide acceptance of the generally high quality of many business and management school courses. There is now a wealth of different methodologies which are widely

used to build quality into management development programmes. Some of these are extremely sophisticated, being based on a deep understanding of how people learn and how appropriate personal development can be achieved. While not all institutions offering management development programmes operate these methodologies, most of the premier providers continue to attract delegates as a result of their reputation for, and delivery of, quality courses.

If we add to this the idea that it is, in fact, an easy matter to measure the effects of a management development programme, it should be perfectly possible to use management development as a means of achieving organisational goals. The trick is to be quite specific about the changes required at an activity level rather than broad aspects of organisational performance. As the prominent American professor, Dave Ulrich (1998), recently explained: building organisational competence “works when senior managers ensure that development is more than an academic exercise, when training is tied to business results not theory...” (Ulrich, 1998, p. 17). When this does not occur, it is probably something to do with the way management development is managed by the organisation.

Such conflicting ideas question the degree to which management development is performing its role within organisations. The better the role is performed, the less investment in management development needs to be an act of faith and the more it can make a strategic contribution to the future of a business. From the evidence it would appear that the dilemma is in deciding whether “the battle is being won” as some suggest or whether there is still an “uphill struggle” ahead as other commentaries indicate.

With this question in mind, the authors decided to sample the views of some of those on the receiving end of management development in action; those who had been sent on an open general management development programme at Cranfield School of Management. The programmes chosen were Cranfield’s suite of intensive executive development courses (either 12 days or, in one instance, three one-week modules) and the School’s Executive MBA (part-time over two years).

The first advantage of these programmes as the basis for our investigation was that they are all well received and popular courses aimed at experienced managers which deal with a broad range of strategic and managerial issues. These factors reduced the chances of any adverse comments about their organisation’s provision of management development being influenced by a disenchantment with a course or a particular

subject area. In addition, since they attracted mature managers from a diverse range of industries and backgrounds, they provided a good spectrum of informed opinion. More importantly, however, these courses are designed to encourage participants to make a difference to their organisations when back at work and should theoretically be part of a wider individual and organisational strategy. Being expensive investments, both in terms of actual fees and the time required, they also represented a significant commitment by organisations. We felt that businesses which were actively sponsoring employees in this way would provide the best chance of finding examples of good practice in organisational management development and provide a “best case” indication of the extent to which management development is fulfilling its role.

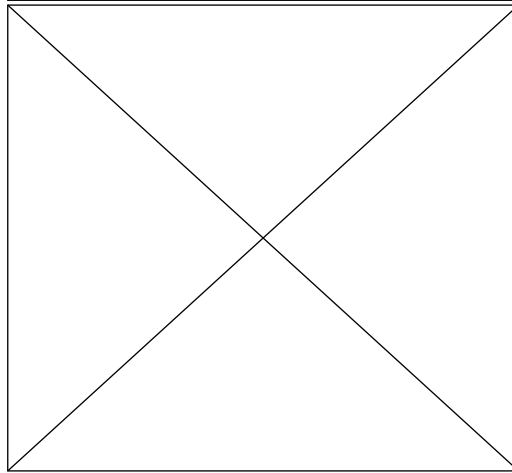
Methodology

Data were collected by means of a self-completion questionnaire and the exercise excluded any self-sponsored delegates. Altogether, replies were obtained from 123 managers representing nearly the same number of organisations. All respondents held at least middle, and in some cases very senior, managerial posts. Opinions were gathered on a five point scale to enable assessment of the strength of feeling and for us to differentiate between extremes of belief.

The first question asked concerned the general quality of management development in respondents’ organisations. No criteria were provided to guide people’s assessment because what we wanted to know was how they perceived the provision of management development rather than an objective assessment of its operation and content. People’s perceptions of quality will determine how well people feel the management development opportunities being offered are suited to their needs. The greater their perceptions of quality, the more likely it is to be fulfilling its role.

The results of this question, however, were rather negative and are depicted in Figure 1. A significant number, 42 per cent, felt that the provision of management development within their organisations was poor and rated it as below average. In contrast, only 26 per cent of the survey felt that the quality was above average. If the middle rankings are also included, it can be seen that nearly 75 per cent of our respondents felt that the quality of their organisation’s management development was at best average or below. While we do not know how this compares with their views of other functions, in absolute terms this does not demonstrate a lot of confidence in management development as a strategic resource.

Figure 1
Perceptions of quality of management
development



To add a specific dimension to the assessment, the second question asked respondents how well they felt the provision of management development activities in their organisations met the needs of their business. The assessments here were even less positive and are depicted in Figure 2. As can be seen, 46 per cent of the sample felt that their organisation's provision of management development was "badly" linked to the needs of the business and, disappointingly, no respondent felt able to provide a top rating. Only 21 per cent rated their provision above the median value. Put another way, nearly 80 per cent of the respondents could not see good linkages between the provision of management development in their organisation and the needs of the business.

The third question asked whether respondents felt that management development could play a more significant role in advancing the aims of their organisation. If course participants could see a larger role for management development, this would suggest something about the extent of its unfulfilled potential. In this respect, there was a high level of agreement. As can be seen from Figure 3, a large proportion, 73 per cent, believed that management development could play a bigger role while only 10 per cent responded towards the "disagreement" end of the scale.

When those who felt that management development could play a bigger role were asked to state the ways in which they felt this could happen, three main themes emerged:

- 1 Helping people make the most of their current positions or preparing them for greater responsibilities.

As an organisation we are very poor at equipping managers with the required skills when they first reach a management position (Respondent 117).

Figure 2
Extent to which management development
meets business needs

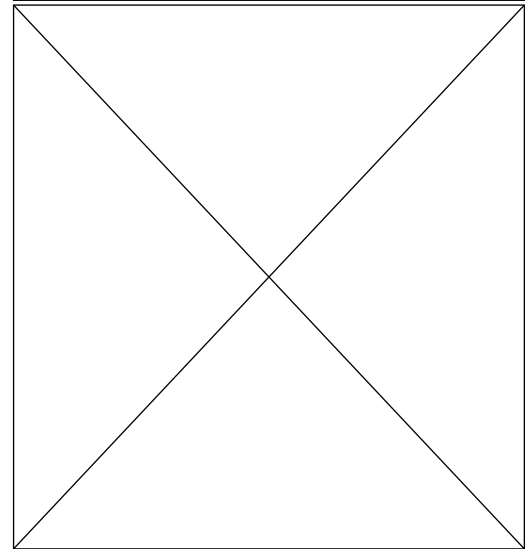
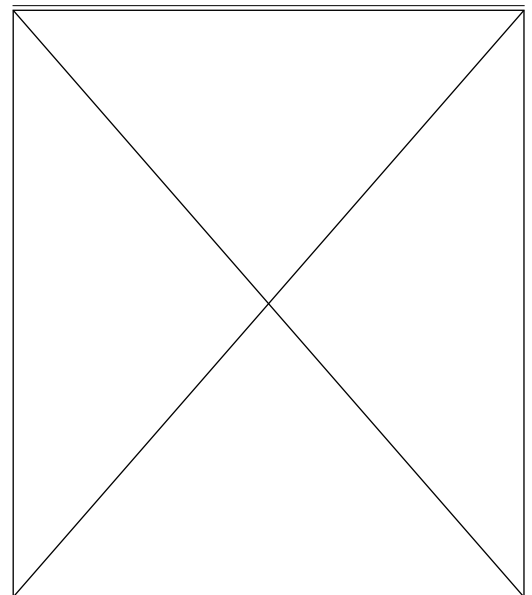


Figure 3
Potential for management development to play
a more significant role



Management development would help give people more awareness of (our business) issues (Respondent 38).

It could prepare people for new tasks instead of throwing them into it (Respondent 41).

(Help) capture potential currently missed (Respondent 61).

- 2 Helping the organisation grow and/or adjust to changing environmental and business circumstances.

It could enable the business to change even quicker to meet the ever changing market place (Respondent 13).

By opening up the organisation to new trends and/or views (Respondent 39).

We have a group of competent but narrowly experienced managers; broadening their experience (would) help transform us from a small entrepreneurial business to one of international professionalism (Respondent 54).

By giving insight into the change process (Respondent 122).

3 A larger role in helping people manage their own and others' careers.

Making management development more closely linked to jobs and, most importantly, developing careers to maintain staff motivation and commitment (Respondent 102).

Good staff leave due to frustration at (their) inability to progress (Respondent 95).

Better development of subordinates (Respondent 51).

[By providing] targeted development for potential key players in the business (Respondent 16).

Other points were made ranging from very specific requirements such as “a better founded strategic marketing plan” (Respondent 12) to the very general including “increased awareness” (Respondent 110) and “improving cohesiveness” (Respondent 57). Overall, though, the majority of comments alluded to one of the three themes identified above indicating a large measure of dissatisfaction with the way management development is contributing to individual and organisational development.

To establish the extent to which the role management development should play for an organisation had been identified, respondents were asked whether a specific management development strategy had been developed for their business. Although it has been found that the use of formal documentation in management development is on the decline (Storey *et al.*, 1997), it was felt that if such a strategy had been formulated, most people would at least know of its existence. This would mean that the organisation must have at least attempted to define the role expected of management development and how that role should be realised.

The results here were more positive. For those who knew whether or not a management development strategy existed (80 per cent of the respondents), the split was roughly equal. Thus, 39 per cent thought that a management development strategy was in place while a similar number, 41 per cent, did not. Only 20 per cent said that they were unsure about whether or not one existed. Interestingly, of those who had seen their strategy

(approximately half of the 39 per cent), the vast majority felt that it was adequately or well linked to the overall business strategy. This suggests that when a strategy for management development is formulated and made known to the rest of the organisation, its strategic role for the organisation is held in higher regard.

Further questions in the survey relating to the role of management development within organisations confirmed the impressions already established. When questioned about the way in which management development professionals fulfilled their role, only 28 per cent agreed that they were people of influence and 69 per cent felt that they played more of an administrative than a consultative role. This implies that management development tends to be seen as a subordinate function with an emphasis on managing systems and following procedures. Being consultative would suggest that management development was regarded as a source of ideas and expertise likely to be drawn upon for the long-term improvement of the organisation. Such a view is supported by the fact that only 35 per cent of respondents signalled faith in the value management development professionals added to their organisations.

In organisations where management development was not the responsibility of professionals, a significant 87 per cent believed that management development needs were not well catered for under existing arrangements. When questioned further, 58 per cent agreed that line managers in their organisations did not have the time to perform management development duties while 77 per cent thought that they were not well equipped to deal with such issues. Finally, it was also felt by 76 per cent of respondents that investment in management development by their organisation was not adequately evaluated.

Implications of the research

The fundamental implication of the survey is that although faith in the value of management development may be on the increase, the general view of management development in practice is not good. If what the survey provides is a “best case” scenario of perceptions of management development fulfilling its role, it would appear that the answer to our initial question is that management development faces an “uphill struggle” with substantial room for improvement. The danger is that the way management development is itself managed will restrict its ability to demonstrate its value. Until management development is better utilised, its ability to demonstrate clearly its value to the organisation is likely to remain limited.

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The survey also plainly indicates how better utilisation could be achieved. At a fundamental level, many more organisations could create a strategy for their management development and make greater efforts to link that strategy to the needs of the business. If management development activities can be more closely linked to changes organisations require, it becomes a simpler proposition to see the value of the investment. If these can be further linked to areas under the direct control of the managers "being developed", the process of measurement becomes even easier.

Where management development is under the control of management development professionals, a factor contributing to the problem is the way they, themselves, perform their role. As noted above, the survey indicates that management development professionals are commonly seen as administrators without much influence in the business. Such poor perceptions of the value of management development might be countered if management development professionals were to take more responsibility for establishing its potential value to the future of their organisations. Ironically, this would probably need some management development aimed at improving their personal managerial qualities, but could lead to more positive views of the strategic role of management development if successful.

Another contributing factor to the poor assessments may also be the way line managers participate in the processes involved. According to the survey, responsibility for management development involves management development professionals 36 per cent of the time but line or other managers on 41 per cent of occasions. (The remaining 22 per cent claimed to be responsible for their own management development.) Since such managers were felt to have neither the time nor the ability to perform a satisfactory management development role, improvements could be gained if they took their developmental responsibilities for the people they managed more seriously. While the senior management of organisations tolerate the non-developmental nature of their line managers, the strategic role of management development is bound to remain limited.

From the survey, other ways in which management development could add greater value were suggested as: improving the practice of management, assisting in the development of

the organisation and as an aid to career development of individuals. Paradoxically, these are all areas which would generally be regarded as part of the role expected of management development. This provides a further indication that management development in many organisations has some way to go before it can become a credible strategic force.

Conclusions

Overall, then, it would appear that action is required if the role of management development is to be enhanced. This could be left to senior management who would then have to adopt the role of management development champions to force a change. On the other hand, perhaps business schools could be encouraged to adopt a bigger role as agents provocateurs and reflect this in their development programmes. Both of these present possibilities. However, a better alternative might be for management development professionals to, themselves, "do something". This would require more of them to recognise the problems highlighted in this survey and to work harder to persuade the rest of their organisations of management development's value as an essential precursor to strategic growth. Too often, management development is treated as something for which a shopping list of courses is produced or as an item to be selected from a catalogue. Without some initiative which helps build the role management development plays, this lacklustre perception of its value and poor utilisation will continue.

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Application questions

- 1 How should management development professionals develop themselves, or be developed?
- 2 What have been the most influential development experiences you have been involved in, and why?