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UNITED NATIONS  
ECONOMIC COMMISSION FOR AFRICA

Public Administration, Human Resources  
and Social Development Division

**MANAGEMENT DEVELOPMENT AND ORGANIZATION DEVELOPMENT**

September 1991

## Management Development Versus Managerial Training

### Definition

The future of any organization is closely related to the quality of its leadership. We shall here refer to "management Development" (MD) as any planned, guided growth, or direct activity undertaken by a manager to help him become more competent in his present position, or to prepare him for heavier responsibilities in the future. This includes all members of management from the president through all supervisory levels and staff personnel. Unfortunately, this latter objective sometimes is emphasized to the point of almost excluding the immediate objective. Both the objectives are important, the immediate one (i.e., improving competence in present position) for the results it produces and also as a means of attaining the long-term one. Thus Management Development (MD) has a dual role of improving the current performance of an organization's managers and preparing managers for future responsibilities. These objectives might be succinctly stated as a simple formula:

Management Development = Improving Present Performance +  
Preparing For the Future (MD = IPP + PFF).

In management development, the training activities occupy a major place. Other endeavours and measures likely to enhance managerial competence in the short and long-run are, however, also included. Management development, conceived in this broad sense, embraces career planning for managers, their job rotation and promotion, motivation for growth, improvement in leadership and communication styles, the manager's self education and other measures helping managers to grow professionally and continuously improving their performance.

"Managerial training", on the other hand, are programmes devised to facilitate this learning process. A good starting point for planning an improvement programme for managers is the job description itself, assuming, of course, that one exists. By looking at the duties on the job description, it is possible to gain a first level of understanding of what a man or a group of men performing similar jobs is supposed to be doing. By looking over current performance reviews or appraisals, it is also possible to get some impression of how well these responsibilities are being carried out.

### Why Management Development?

A number of factors combined to compel companies to provide a stable source of future management, especially, after the World War II. Among these are:

(a) Expanding Economy: With the competition that was being revived after the World War II, companies began to grow and compete for markets and product development, thus causing research talent to be in demand. In addition to filling the vacant shelves after the war, manufacturers had to meet the quality of demand of public tired of substitutes and machandise of only passable quality.

(b) Decentralization and Growth: Rapid growth in size and locations of facilities to meet these basic needs led to a greater number of satellite locations. This increased the need of management talent, since these locations had to be staffed by competent personnel who could manage without the intimate supervision of the central office. Concrrent with decentralization was the natural increase in corporate size. This also created an increase in demand for management talent.

(c) Changes in Technology: The new technologies that began to mushroom up soon after the war also necessitated the need for management to acquire scientific knowlewdge and techniques for the realization of changed management responsibilities and functions.

(d) Changes in Government Regulations: The need for technological knowledge and the technological changes that also began to appear was compounded by the myriad of government regulations affecting wages, hours of work, working conditions, labour relation and a host of other regulations. All these required a realization of changed management responsibilities and functions. It became impossible to manage a business, or a segment of it, without a working knowledge of these regulations.

(e) Executive Development: All the above-mentioned factors caused forward-looking management to reassess their needs and take measures to meet them. This effort was termed "executive development." The experience soon demonstrated that this term was too restrictive. It seemed applicable only to the highest level of management; i.e., "ivory tower" personnel. It was soon evident that the development in depth was necessary. To get support of this broader concept, the name, gradually but quickly, changed to "management development".

The above-mentioned factors constitute the External Environment of an organization and may call for some changes in an organization since, today, most organizations are striving for survival in these turbulent environments.

#### External and Internal Environmental Factors Influencing Organizational Effectiveness

Managing organizations is a complex act. It requires a thorough understanding of the dynamic relationships within the socio-technical system (i.e., the internal environment) and the relationship to the external environment with which the system is in constant interaction.

Indeed, every organization has the basic purpose of achieving two sets of objectives with respect to the management of its human resources.

(a) The first set has to do with improving the performance of organizational members to deliver goods and services for which the organization is formed in the first place. Productivity of a given organization -- whether it is measured in terms of units produced, volume or sales accomplished, quality of services rendered, amount of profit margin, or cost effectiveness of the operation -- is largely dependent on the performance of organizational members, be they managers or rank and file workers.

(b) The second set of objectives has to do with developing and maintaining human potential that serves as the backbone of the organization. The capacity of an organization to survive and to respond to competitive challenges from time to time can only be sustained and mobilized when the organization has a highly competent and motivated manpower. Thus the effectiveness of the management of an organization is very much dependent on the nature of the human resources it possesses. In other words, an effective organization is the one that has members who exhibit high levels of both work-related motivation (i.e., job and organizational commitment) and work performance.

Viewing organizational effectiveness in this way presupposes the existence of a system of management practice and employee behaviour that is conducive to high level of work motivation and performance. Furthermore, such management practice and employee behaviour within an organization in large part results from managerial and employee values, attitudes and beliefs regarding work and organization. In other words, every organization has an internal work culture of its own which influences the behaviour or practices of both the management and the workers. The organizational work culture represents a form of organizational reality that shapes both the micro-level individual processes (i.e., day-to-day practices and behaviours of organizational members) and macro-level

organizational processes (i.e., design of organizational structure, technologies employed, and strategic activities).

As a set of shared values, beliefs and norms about the nature of work and organization, the work culture is constantly influenced by the environment in which the organization operates. In fact, the survival and growth of an organization depends on its developing an appropriate corporate culture that can adequately respond to external environmental forces. Just as the effectiveness of an individual depends on how adequately he/she copes with the surrounding environmental demands, the effectiveness of an organization also depends on how it adapts to its environmental demands by developing an appropriate corporate culture. In developing the appropriate coping strategy, organizations must be sensitive to environmental constraints and opportunities. Such sensitivity implies identifying and responding to three major aspects of the environment:

- (a) economic and technological;
- (b) political and legal; and
- (c) socio-cultural.

The economic-technological environment provides constraints and opportunities with respect to the technological, material, monetary and human resource procurement necessary for the organization to function effectively. For instance, organizations must respond adequately to the prevailing labour market conditions. Management must plan the manpower needs of the organization according to the availability and flexibility of labour. Manpower effectiveness depends on whether management has a free hand in hiring, firing, retaining, or retrenching workers with minimal legal and political interference. Effectiveness of manpower planning for increased productivity and better service also depends on wage levels and the flexibility with which wages can respond to existing realities. For instance, if economic and market conditions necessitate lower wage levels, or a moderate increase in wages, or even a wage freeze or reduction, the organization effectiveness is enhanced to the extent that the ethos governing wages permits a flexible response to these conditions. The success of the organization would also depend on its adequate response to the challenges to its financing activities posed by economic conditions such as the availability of investment, capital, inflation rates, interest rates, taxes, etc.

Furthermore, the level of technology available for carrying out the organization's tasks is an important consideration for the organization's success. Important also is the development of an infrastructure which facilitates the procurement of materials, the location of suppliers and distribution outlets. When the prospects of financing the organization, of obtaining the appropriate

## A Conceptual Model for Understanding Organizations

Figure 1.1

### A GENERAL PROFILE OF A DEVELOPING COUNTRY ORGANIZATION

#### TOP MANAGEMENT

- Overworked
- Authoritarian, paternalistic
- Centralized control and decision making
- No clear mission or sense of direction
- Extensive extra-organization activities
- Politicized
- Weak executive support systems
- Learned, articulate, traveled

#### MIDDLE MANAGEMENT

- Weak management systems and controls
- Inadequate management and administrative skills
- Lack of specific industry knowledge and experience
- Understaffed
- Risk averse, unwilling to take independent action or initiative
- Exercise close supervision, little delegation
- Low levels of motivation

#### OPERATING LEVELS

- Inefficient, high cost operations
- Low productivity
- Overstaffed, underutilized
- Low pay
- Poor morale
- Weak boundaries and unprotected vital technical core

SOURCE: Kiggundu , M.N. (1989) Managing Organizations in Developing Countries. Kumarian Press, INC.

technology, and of finding the right markets are either inadequate or uncertain, organizational effectiveness suffers

Besides the economic and technological environment, the political and legal environment also provides either facilitatory or inhibitory conditions for the successful operation of organizations. For instance, the stability of governments (local, regional, and/or national) creates business confidence. Legal systems which provide protection from foreign competition and establish specific labour mores and practices either promote or inhibit healthy organizations. Political interference in the management of organizations and the bureaucratic hurdles that management often encounters are widely known to contribute to organizational failure.

Finally, the socio-cultural environment provides challenges for dealing with human resources (a product of the socio-cultural environment) within the organization and for dealing with the clients (i.e., customers, community served) outside the organization. The socio-cultural environment of any given society determines collective norms and values, and individual beliefs, attitudes, and action preferences. Since organizational functions depends on the behaviour and attitude of people within a given society, organizational behaviour is profoundly influenced by the socio-cultural environment within which the organization operates. Sensitivity to the socio-cultural environment is particularly important for effective human resources management in organizations.

The preceding discussion is summarized in Figure 1.1. below and depicts the external environmental and internal organizational forces that influence organizational effectiveness with respect to human resource management.

### The Nature of Manager Development

Developing a manager is a progressive process as in the same sence that educating a person is. Neither development nor education should be thought as something that can ever be completed, for there are no known limits to the degree to which one may be developed or educated. Manager development concerns the means by which a person cultivates those skills whose application will improve the efficiency and effectiveness with which the anticipated results of a particular organizational segment are achieved.

## Basic Approaches to Manager Development

### Job Rotation

A commonly used method of preparing managers for greater responsibility is the system of job rotation. The basic purpose of this technique is to broaden the knowledge of potential and current managers about the functions of the enterprise and the management issues that occur at various positions in the organization. The manager will need coaching from his boss and feedback at the end of each assignment so that he can work on his weaknesses. The great difficulty with job rotation programmes is their lack of preciseness. The manager must know specifically what he is expected to gain from the experience. He cannot simply be placed in a position and then be evaluated when his time is up and he is supposed to be ready for his next assignment. His boss will also need some instruction in how to help his temporary subordinate get the most out of the experience.

### Creation of "Assistant-to" Positions

The "assistant-to" positions, frequently used as a development device, permits trainees to broaden their viewpoint by exposing them to many areas of managerial practice. The advantage of the assistant-to position from the viewpoint of supervisors is that they can most exercise their function as teachers, tailoring the same period to the assistant's needs and making assignments to test his or her judgement. The disadvantage of this procedure becomes apparent when superior executive fails to teach properly. If they lack understanding of the assistant's needs, or if they are authoritarian.

### Temporary Promotion

Individuals are frequently appointed "acting" managers -- for instance, when the permanent manager is on vacation, ill, or making an extended business trip or when the position is vacant. Thus the chief reason for these promotion is the convenience of the enterprise. However, there are important development opportunities implicit in these arrangements, and managers are not slow to take advantage of them. Assuming that the post does have a full-time manager, the person who "acts" in this implicit capacity can in fact be the manager, making decisions as necessary and accepting full responsibility for them. In this usage, the experience can be very productive.



On the other hand, if the subordinate is a merely figurehead, makes no decisions, and otherwise acts in a minimal way, there are no gains either for the person or for the enterprise. A long-term assignments to vacant "acting" manager position are likely to be unproductive. They are evidence of uncertainty on the part of superiors and are very discouraging to the temporary appointee.

The above methods for developing managers represent only a few of the many available.

### ORGANIZATION DEVELOPMENT

It may appear surprising that many people who practice Organization Development cannot agree on its fundamental definition. In part, this is due to the fact that OD is not one technique but is a range of techniques applicable to numerous situations whose implication requires analytical and behavioural skills, a sense of timing, and a scientist responsibility to implement programmes objectively and evaluate the results that occur.

There are many definitions of Organization Development (OD). The most common and constructive one defines (OD) as planned activity or organization-wide effort managed from top and directed to increasing organizational effectiveness and health through interventions in the organizational process using behavioural science knowledge and techniques. These techniques, largely behavioural, form the nucleus of Organization Development. Sensitivity analysis, job enrichment, team building and motivation are but a few of some of the methods used in OD. OD aims to help members of an organization to interact more effectively in pursuit of organizational goals. It is intentionally based on an awareness of human behaviour and organizational dynamics, provides for harmonizing individual and organizational goals, and promotes participative management. Indeed, much of an organization's inefficiency can usually be traced to employees' disinterest in, or even hostility to, the organization.

Two key points stand out from the literature in this field. First, there is a strong emphasis on the techniques and methods used to achieve the desired results. Second, there are definitive values that are often not stated explicitly and yet these values guide both the selection of specific methods and the application of these methods to OD. Among these are:

1. Organizations do not exist as ends in themselves, but rather as means to the end of fulfilling the needs of individuals in a free society.

2. There must be certain congruence between individual goals and organizational needs if the organizational goals are to be met satisfactorily.

3. Better interpersonal relationships will make it easier to achieve an organization's goals.

There is a general consensus that better interpersonal relationship would imply;

- (a) empathy among the staff
- (b) honesty and authenticity of feeling rather than manipulation (i.e., hurt others to advance one's own interest)
- (c) mutual respect and tolerance of differences
- (d) Team work, and
- (e) flexibility, openness and creativity to changes and demand of environment.

#### Implementation of OD Techniques

In an ideal situation, OD should be introduced from the top of the organization and cascade downwards through the various levels of management.

In practice, OD is based on some key values and the following characteristics identify it as a unique approach:

(i) the focus of change is a whole system and its interrelated parts;

(ii) the OD goal is to improve the present and future organizational health and effectiveness;

(iii) OD is a long-range approach to change that emphasizes lasting rather than temporary change and seeks to influence an organization's culture and norms by changing values, attitude, behaviour, processes and structure;

(iv) OD is a top-to-bottom strategy for change that recognises the importance of gaining the commitment and involvement of top management and any other person or group that could significantly influence the outcome of the effort. Change is initiated at the top of organizations and is gradually applied downwards;

(v) it is a collaborative strategy for change that involves those affected by process and recognises the importance of involvement in development of commitment to OD; and

(vi) OD focuses first on organizational and group change and secondly on individual change;

### Structured Performance Improvement Programmes

This section refers to structured organizational projects and programmes launched with specific purpose of bringing the organization, over a definite period of time, from one condition (regarded as unsatisfactory, or below a feasible standard) to another condition (standard or optimum). Various methodologies have been developed and applied for this purpose and would exceed the scope of this presentation. We will limit ourselves to pointing out their main characteristics, referring to the example of the PIP (i.e., Planning, or Programming, for improved enterprise performance).

These methodologies apply a structured interdisciplinary approach. In developing and implementing a set of performance measures, the company rigorously follows a particular procedure in order to respect the technical logic, maintain the momentum and ensure co-ordination and control of the whole exercise, which may involve a large number of managers and units within the organization. In addition, the methodologies apply various elements of OD approach to enlist participation, generate commitment to the action agreed to and taken, and deal with behavioural problems. Thus the approaches are characterized by definite commitment and leadership from top, but are different from special projects and proposals entrusted to small groups of selected individuals, since they involve decision-makers at various levels, as well as many staff members.

The OD process itself thus consists of the following stages:

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|------------------------------|--|
| (a) <u>Entry Stage:</u>      | Preliminary need assessment, programme design and negotiation, commitment building;  |
| (b) <u>Diagnostic Stage:</u> | Analysis of organizational strengths, weaknesses and needs; processing the results and feeding them back through the system; |

- (c) Change Stage: Improvement changes in an organization using OD intervention techniques such as programme design, re-evaluation, problem solving, team building, conflict resolution, strategic planning, etc.
- (d) Evaluation Stage: Another diagnosis and comparison of results with the previous ones, analysis of change in productivity, profit turn over, etc., identification of new problems to be solved in the future; and
- (e) Follow-up Stage: Used to sustain the improvement made during the OD programme.

Several important features of OD are of interest for our purpose. First, the process is oriented towards the problems and results. Second, it concerns both individual and organizational changes rather than to training. Third, OD draws heavily on various need analysis methods and techniques, in particular at stages (a), (b) and (d). Fourth OD can use training as a part of the overall process, and can make a number of suggestions for training, to be taken outside this process.

Thus, there is a multiple relationship between OD and its various techniques, on the one hand, and training and development needs assessment and various training interventions, on the other hand. A number of OD interventions and activities serve the double purpose of organization development, and management or staff training and development. It is not difficult to see that almost every step of this sequence involves some aspects of identifying managerial development and training needs and even uses a number of techniques (questionnaire, group discussion, appraisal systems, interviews, etc.) For example, the first two steps (entry and diagnosis) of an OD programme are usually based on personal interviews about job problems with every member of the team, group interviews with managers from different departments or functions, supervisors group discussions. The third step can reveal such symptoms as frequent complaints of poor communication, hostility between/among managers, indecision, and so on.

The evaluation of the change process can supply interesting and practical information on the present and future organizational and management weaknesses, on the problems that OD failed to resolve and on the further management training and development needs.

Thus, nearly all information obtained during an OD programme could be useful to identify management training needs and design management training programmes as an integral part of the whole OD process, or as its continuation.

### Advantages of OD

Since OD is a learning and an action oriented process, individual managers become involved in all its main phases - diagnosis, learning, action and feed-back;

If properly done, the OD programme can be more effective than many other approaches since it combines management development and organizational improvements;

It provides a useful opportunity for applying many needs identification techniques as a part of the OD process.

### Limitations

The process is a complex one and takes a great deal of time and requires full commitment from all parties concerned, not only managers.

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