

# Management Development

## Meaning

“Executive or management development is a planned process of learning and growth designed to bring behavioral change among the executives.”

It is continuous process of learning. It implies that there will be a change in knowledge and behavior of the individuals undergoing development programme. The employee will be able to perform his present job better and will increase his potential for future work.

Managers develop themselves by participating in formal training courses organized by the organization. They also make use of actual job experience in learning new behavior and the organization must provide opportunities for development of its managers. But an equal, but more important, counterpart to the efforts of the organization is those of the individuals. Self-development is an important concept in the whole programme of executive development.

Management development is a process in which managers working at different levels learn and improve their ability, capability, knowledge and skills for improving the performance of individual as well as organization. The effectiveness of managers at work contributes a lot to the success of every organization.

The new approach of human resource management is that money used in development of employees and managers is considered as an investment and not as a cost. Along with their jobs the managerial staff is provided opportunities to learn and improve their competencies. This whole process is known as management development.

The managerial staff is prepared to improve their performance on present jobs and preparing them for further assignments also. Management development is a systematic process of training and growth by which managerial personnel gain and supply skills, knowledge, attitudes and insights to manage the work in their organizations effectively and efficiently.

Management development programme includes the activities — short courses, leadership courses, management education and training programmes, coaching, guiding and mentoring. These programmes can be conducted in-house or outside by consultants or experts.

## **Objectives of Management Development**

The objective of management development is, in general, to improve the quality of managers/executives performance now and in future. Some main objectives of the management development are as under:

1. To develop managers/executives for better performance on their present job or assignment
2. To provide a steady source of competent persons at different levels so as to meet the future requirements of the organization.
3. To enable the managers to understand the problems of the business organization in so far as they arise out of its policies and system of control.
4. To create conditions and a climate which contribute to the growth process.
5. To replace elderly executives, who have risen from low ranks, by highly competent and academically qualified professionals.
6. To increase morale of the managers.
7. To acquire knowledge about the problems of human relations.
8. To create the second line of defense in the organization so as to meet the emergencies.
9. To broaden the outlook of the various levels of management especially top management regarding their role, position and responsibilities.
10. To help the top management to understand the economic, technical and institutional forces in order to solve business problems.
11. To increase the versatility of the managers
12. To stimulate creativity in the thoughts of the managers.
13. To create a sense of inter-departmental coordination among managers.
14. To indicate how to apply to practical problems the knowledge of the physical and social aspects of business problems and management.

## **Need for management development**

### **1. Social Obligation:**

Organization is a part of society. Society has expectations, demands for its growth and development from societal members including organization/s functioning in the society. Organization can fulfill societal demands / requirement if managers are capable enough to analyze social obligations to present cases as spokesperson of the society to the company, to develop a bridge between company thinking and societal expectations, to make the society aware of Contributions Company made for amelioration and well-being of the members of the society.

Hence, management development is needed to prepare capable and effective managers.

### **2. Effect of Globalization:**

Because of globalization, multinational corporations (MNCs) and trans-national corporations (TNCs) have entered in the market resulting in, stiff competition amongst the market players. In such a situation, it becomes difficult for the domestic companies to survive in the context of quality goods they supply and the price they fix for the customers.

It is, therefore, imperative need for the companies to have world class workers for production of world class product at reasonable cost; and the companies can have such dynamic workforce if, they have highly skilled, committed, dynamic pool of management personnel who can prepare the workers' community according to need, requirement of the companies. So, here is the necessity of management development to face the challenges emanated from the globalization.

### **3. Effective Functioning of Line Management:**

Line management/technocrats are well conversant with technicalities of production activities but, they may lack adequate skill, abilities in human relations development and conceptual areas of the company. For effective functioning of their work they need improvement, development of their skills in those areas where they lack.

Hence, management development programmes are required to be conducted to promote enhancement of human skill and conceptual skill of technocrats, line managers of organizations so that, they can perform their job better in terms of need, requirement of the companies.

#### **4. Excellent Quality of Work of Non-Technical Higher Management:**

Technical skill is required for excellent performance by nontechnical managers. Requirement of technical skill of management personnel varies in degree considering grade/strata of the management to which they belong. Higher level management may need some knowledge/skill in technical areas and so, for better functioning they need to acquire skill in this area.

Management development programme designed to impart technical skill to such non-technical higher management personnel may facilitate to deliver excellent quality of work by them.

#### **5. Use of Latest Technologies:**

Every organization needs to use latest technologies in its operational and service activities so that, quality goods at minimum cost can be produced to face competition with the market players but, these latest technologies cannot be effectively used if, the managers are not given proper training to have acquaintances with technologies, its operative areas, use, effectiveness, probable problems, etc.

#### **6. Change in Economic Policy:**

Change in economic policy creates a new business climate and work culture in organization where re-inventing of management practices appears to be of much necessity. New areas are required to be explored for expansion and diversification of business; continuous improvement of quality in services and products needs to be emphasized; issues like retention of customers and search out for new customer be prioritized.

For all these, executives need an enrichment of knowledge, specific thought pattern, creative thinking, analytical ability, meaningful vision and foresightedness, and this is possible through organizing tailor-made development programmes which may enable higher management to explore new areas and to practice in the company to confront changes.

#### **7. Smooth and Effective Functioning of Business Activities:**

Workers perform business and industrial activities under the guidance and supervision of management. Management personnel play the role of guide, coach, motivator, leader of the

people at work. Workers can be effective if the decisions, directions, guidance of the management are proper, perfect and accurate.

So, for smooth, effective and uninterrupted functioning of business activities managers should have leadership qualities, proper knowledge, and skill in decision making and also should introduce schemes like employee involvement, empowerment and participation in organization. For all this, management development programme should be of much use.

## **Management Development Programme Process**

The following steps are involved in the process of management development programme:

- 1. Diagnosis of Organization's Needs** – It is necessary to identify the organizations needs in the line of organization's objectives for the development of its managers.
- 2. Appraisal of Present Managers Abilities** – To find out the gap between the actual performance of job and the standard performance of job.
- 3. Set the Objectives of Development Programme** – Now the next step is to set the objectives of a particular management development programme.
- 4. Preparation of Manager Inventory** – For the purpose of getting manager inventory the following information about each manager is necessary- Name, age, qualification, work experience, tenure of service, place of posting, nature of job and performance appraisal data, etc. This helps in the selection of manager for development programmes.
- 5. Planning of Individual Development Programme** – On the basis of manager inventory, it is easy to find out the strengths and weaknesses of each of the managers. This helps in training framing and launching tailor made programmes.
- 6. Establishment of Development Programme** – After this the responsibility of HR manager or Training and Development manager is to establish development programme for manager like leadership courses, decision making, creative thinking, management games and sensitivity training etc.

**7. Evaluation of Development Programme** – The last step is to evaluate the development programme in the line of the objectives of the programme. According to Tracey (1971) the most important means of evaluating development programme are observation, ratings, training surveys and training interviews.

## **Techniques of Management Development**

Here follows a detailed description about these methods:

### **1. on the Job Methods:**

These are the methods in which learning of executive's takes place at the job place. These are time and cost saving techniques. On the job methods include the following:

#### **i. Coaching:**

In this method, superior guides and trains the subordinates or trainees as a coach. The content matter of coaching depends on the goals decided before the starting of coaching. The coach guides the trainees, reviews their performance time to time and suggests the changes required.

This method works well if the coach and trainee are open with each other and there is an effective communication between them. Trainees take interest if they are recognized for improvement and rewarded for that.

#### **ii. Job Rotation:**

According to Bennett, "Job rotation is a process of horizontal movement that widens the managers experience horizon beyond limited confines of his own."

Job rotation is a method in which a person is moved from one job to another on some pre-planned basis. There is a rotation of jobs until the trainee acquires knowledge about all related jobs. The purpose of job rotation is to increase knowledge, skills, understanding of trainees about various jobs. It increases their confines. Job rotation method is usually designed for junior executives and it may take a period of six months to two years for one rotation to complete.

#### **iii. Under Study:**

In this method, one person is selected by supervisor and trained like his descendant. He is prepared to assume full time responsibilities of position presently held by supervisor. If the supervisor leaves the job or is on long absence due to illness, retirement, promotion or death, etc., then that trained person becomes available at the place of supervisor. Supervisor gets most of his work done from the trainee, discusses problems with him and involves him in decision making. Trainee is also allowed to attend discussions and meetings as a representative of supervisor.

#### **iv. Multiple Management:**

This technique is a contribution of Charles P. McCormick of McCormick Corporation of Baltimore, U.S.A.

In this method, a junior board of executives is made to learn the skills of Board of Directors (BOD). Major problems are analyzed by junior board and recommendations given to BOD. This is beneficial to junior board of executives as they learn problem solving techniques and it benefits BOD as they get the valuable opinions of executives. Vacancies of BOD can be filled from junior board of executives.

#### **v. Selected Readings:**

In this method, development is through reading. Fluctuations are an integral part of business because business environment keeps changing. New and creative managerial techniques are also innovated in such environment. Managers can get knowledge about the latest developments in management world from selected professional books, journals, magazines, etc.

#### **vi. Committee's Assignments:**

A committee is formed of trainee executives. In committee meetings, all participants participate and discuss. The knowledge is increased by education. They also learn various methods of problem solving. Communication skills also develop.

#### **vii. Project Assignments:**

In this method, a group of workers is given a project work related to their functional area. This group of workers is called as project team or task force. Project team studies the work project

problems and finds the solution. In this process, trainees learn various procedures. For example, marketing officers may be given the task of checking the accessibility of a market. In this process, they will learn about segmentation, positioning and targeting also. They will learn about the relationship of marketing department with other departments as well.

## **2. Off the Job Methods:**

In these methods, the development process is not carried at job location but somewhere outside the job area.

Off the job methods include the following:

### **i. Case Studies:**

In this method, trainees are given a case in writing. Case here means a business problem or a situation which demands a solution. Trainees are directed to analyze the problem, find alternative courses of action, evaluate alternative courses and select most appropriate solution. The trainer sees the solution and guides regarding it and ensures that no relevant fact is missed.

### **ii. Conference Method:**

A formal meeting conducted deliberately is called as conference. The participants discuss the topic, give their ideas. The conference can be divided into small sessions also. This method emphasizes on interaction and participation of trainees. This method also helps to develop conceptual knowledge, modify attitude and is suitable for a group of 15-20 persons. In a group with more than 20 persons, active participation would not be possible.

### **iii. Role Playing:**

In this method, trainees are given the roles which they act on the stage. Role players act before the class. This is a realistic behavior of imaginary situations. Roles are given for situations like hiring, firing, interviewing, grievance handling, disciplining a worker, presentation to clients or customers etc.

### **iv. Lectures:**



Lectures are an easy method for development when number of trainees is large. It is cost effective and consumes less time. Lectures are formally organized talks in which instructor guides about specific topics. In lectures, various demonstrations, audio-visual aids and discussions can be used for creation of interest among listeners.

This method is useful when the purpose is to teach facts, concepts, principles, attitudes and problem solving skills.

#### **v. Group Discussion:**

In this method, one topic of study is discussed by members of a group. Through this discussion, knowledge and communication skills of all group members improve. The topic is summarized by the chairman of group discussion.

#### **vi. In-Basket Exercise:**

In this method, employees are given a basket or tray or box containing papers and files which are related to their functional area. The trainee has to study these files and give his suggestions on the problem or situation. Suggestions of trainees are compared and conclusions arrived at. A report is also made of these suggestions.

#### **vii. Management Games:**

Management or business games represent the real life situations of business. Several teams of trainees are made who compete with each other or against the environment to achieve the objectives. The teams represent the companies, they solve their problems, take the decisions to achieve the maximum hypothetical profits. The game is continued for 6-12 periods. In the end, final results of all teams are found and compared with each other.

Management games are of two kinds; first interacting type, in which decisions or actions of one team affect the other. Second, non-interacting games, in which decisions of every team are independent, do not affect others. Their results are entirely based on their own competence.

Management games train the trainees regarding communication skills, problem solving techniques, dispute handling skills, leadership qualities, etc.

#### **viii. Sensitivity Training:**

This training is conducted under controlled conditions, so it is also known as Laboratory training. It is also known as T-Group training. The purpose of this training is to make executives able to understand how groups work, how people interpret self and others. T-Group training aims at increasing tolerance level of individual also.

The trainer in this training is usually a psychologist. The activities of training involve sitting of group members around a table and discussing for long time. Sensitivity training brings a change in the behavior of employees.

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