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# 19

# Leadership and management development

**RONAN CARBERY and THOMAS N GARAVAN**

*Some are born great, some achieve greatness, and some have greatness thrust upon 'em. (SHAKESPEARE, TWELFTH NIGHT)*

## LEARNING OUTCOMES

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When you have completed this chapter, you should be able to:

- understand why organizations invest in leadership and management development and the differences between the approaches;
- understand the dynamic context in which leadership and management development takes place;
- describe the issues that organizations need to consider when designing leadership and management development activities;
- understand the advantages and disadvantages of a variety of approaches to leadership and management development;
- understand the issues involved in evaluating leadership and management development.

## Introduction

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Organizations are increasingly recognizing that to be competitive they must invest in leadership and management development. Over the last decade, organizations and their leaders have experienced major changes in the workplace, including rapid



technological change, increased globalization, changing organization structures and major changes in the dynamics of careers. Leaders and managers are considered a highly influential group in terms of creating high-performance organizations. Organizational capability at a management level in an organization is considered essential to improve competitiveness and ensure future growth. Organizations taking a proactive and systematic approach to management and leadership development generally produce more leadership talent, and best-practice firms are characterized by the intensity and quality of their management and leadership development interventions. They do as much of the same as other firms but perform it with greater rigour and consistency.

The chapter aims to provide an overview of the leadership and management development process. We begin with a consideration of how leadership and management development differ from each other. We then focus on the changing context of leadership and management development. We focus on the issue of whether leaders can be developed. The chapter discusses the value of leadership competency models and also considers the different organization-driven and leader-driven approaches that can be used to facilitate leadership and management development. We will conclude the chapter with a discussion of the issues that should be considered when evaluating leadership and management development.

## Management and leadership development: the same or different?

Leaders and managers are increasingly studied in the context of human resource development (New, 1996; Hall and Moss, 1998; Feldman, 2002), which reveals that they are expected to initiate development in the absence of organizational guidance. Moreover, managerial careers are progressively more market-based, with specialization considered to be a negative. Also, there is a risk to managers of becoming trapped in 'core rigidities' by over-investing in core competencies that are relevant to the organization but not of value to the marketplace. Leaders and managers need to participate in a variety of learning situations that provide them with both behavioural and cognitive complexity (Karaevli and Hall, 2006) and it is critical for them to be fast and adaptive learners (Hall, 2002) as well as strong performers. Leaders and managers are also expected to utilize self-directed career management strategies on a continual basis (McCall and Hollenbeck, 2007).

An important distinction is made between management, leader and leadership development (Day, 2000). Management development focuses on the manager getting to grips with the process or 'hard' aspects of managing such as planning, execution, prioritization and control processes. Leader development focuses on the development of a leader or manager's self-awareness and understanding of self as a leader. Leadership development focuses on the social dimensions of leadership and includes such issues as interpersonal awareness and skills, team development processes and the processes involved in gaining commitment for vision and strategy. For the purposes of this chapter, we will use the term 'leadership development' to include both leader and leadership development.

Leadership and management development in organizations can take a number of forms. It may be organization driven and consist of a variety of formal interventions such as coaching, mentoring, formal programmes and feedback-intensive programmes. These activities are directed by organizations and are usually built around competency models (Garavan, Hogan and Cahir-O'Donnell, 2008). However, organizations are recognizing that they must also promote and rely on their managers and leaders to engage in self-directed leadership development (DeRue and Ashford, 2010). Furthermore, in difficult economic times, formal programmes are both expensive and time consuming.

Cunningham (1986), for example, identifies three different viewpoints on the relationship between leadership and management. The first position assumes that leadership is one competence among a range required for effective management. A second position, advocated by Bennis and Nanus (2003), suggests that the two concepts are separate but related, whereas a third position sees both concepts to be partially overlapping. There is evidence amongst academics that there is a need to conceptually distinguish leadership from management, often at the expense of the latter. Management as an activity and concept is often viewed as a 'second-class citizen', something that is very transactional in nature.

Kotter (1988) has argued that leaders and managers are distinct in their roles and functions. He considers management to be concerned with planning and organizing whereas leadership is concerned with creating, coping with change and helping organizations to adapt in turbulent times. Two other recent contributions have similarly emphasized that the two concepts are different. Boydell, Burgoyne and Pedler (2004) consider management to be about implementation, order, efficiency and effectiveness. They define leadership as concerned with future directions in times of uncertainty, and argue that management may be sufficient in times of stability but is insufficient when organizational conditions are characterized by complexity, unpredictability and rapid change.

It is increasingly recognized that all managers, including first-line supervisors, need at some level to be leaders and to understand the concept of leadership, albeit the higher the organizational level, the more complex leadership becomes and the more it is concerned with broader and long-term aims. In some organizations people may be senior professionals such as doctors or scientists but not defined as managers (at least in terms of the formal organizational hierarchy). It would be naive, however, not to think of them as leaders or potential leaders.

It is therefore not surprising that there are contradictory interpretations of management and leadership development. Wexley and Baldwin (1986) argue that management development remains the most 'ill-defined and variously interpreted' concept in the management literature. HRD has broadened our thinking about the purposes and methods of management and leadership development. The majority of early definitions focused on the formal dimensions and considered both management and leadership development to be systematic and structured process. Cullen and Turnbull (2005) argue that the majority of definitions view managers as resources and consider that management development is driven by a functional performance rationale. Similarly many of the definitions emphasize management development driven by organizational rather than individual needs.

In practice, the terms management and leadership development are used interchangeably and they both represent a set of processes that organizations and

individuals use to enhance effectiveness in a variety of management and leadership roles. Increasingly the distinction between the two sets of terms has become blurred, with ‘management development’ being associated with the UK and Ireland, while in the United States, ‘leadership development’ is preferred.

## The context of management and leadership development

The context within which management and leadership development occurs is both complex and dynamic. We focus here on four dimensions of context: globalization, structural change, the knowledge-based economy and diversity.

### *Globalization*

Globalization is understood as growth in the functional integration of national economies, with the ties between countries becoming stronger. It is driven by powerful economic factors including market cost, and competitive market factors such as the growth of common customer preferences largely created by successful global branding. In terms of cost, globalization is said to offer the advantages of economies of scale and standardization, such as cost advantages in advertising, material sourcing and economies of scale due to larger market potential. Also, globalization has reduced the requirement for manual work and fostered new kinds of skills such as those found in customer service work and call centres. It has enabled managers to work across spatial boundaries with increased use of forms of virtual teamworking. Leadership and management development will focus less on gaining manager commitment and loyalty and more on manager engagement. It also requires that managers are skilled to take decisive action, and in some cases to take tough decisions.

### *Structural change*

Changes to the organizational structure such as downsizing and delayering bring significant demands for managers. They are expected to be able to respond rapidly to changing conditions, to ensure that customer expectations are met while at the same time matching the supply and quality of labour with demand cycles, and recognize and reward work in order to gain productivity increases. Organization structures are also changing as a result of advances in information technology. One consequence is that the distinctions between management and other employee categories have become blurred. The evidence indicates that employees have become more empowered; they have to share information in team settings, and structures have become much less hierarchical.

### *The knowledge-based economy*

The growth in the knowledge-based economy and knowledge-management initiatives has major implications for managers and leaders. Managers have a key role to play

in creating and supporting an organization culture that is conducive to knowledge sharing, use and development. The provision of appropriate management development interventions is most appropriate when the knowledge-management strategy is focused on building the social capital of its managers and knowledge employees. Garvey and Williamson (2002) point out that the most valuable management training and development initiatives are those designed to encourage reflexivity, learning through experimentation and skills in conducting critical dialogues with others. Knowledge workers also need to be managed in distinctive ways. Horwitz, Heng and Quazi (2003) suggest that there are distinctive bundles of HR practices that are effective in motivating and retaining knowledge workers. These HR practices make significant demands on managers and require that managers allow high levels of autonomy, provide interesting work tasks, and ensure significant opportunities for self-development.

## Diversity

The diversity of the leadership pool in organizations has become a major issue and it has long been recognized that gender and racial inequality is a problem (Ayman and Korabik, 2010) for many organizations when it comes to their leadership populations. Women and ethnic minorities are significantly under-represented in senior management positions. Eagly and Chin (2010) argue that discrimination remains commonplace in organizations, primarily in more subtle, covert and unintentional forms, and that the majority of managerial roles have become infused with masculinity. This has the effect of excluding particular groups from leadership roles, including women and minority groups on the basis of race, ethnicity and sexual orientation. Individuals from these categories have fewer networking, mentoring and leadership development opportunities (Ardichvilli and Manderscheid, 2008).

This challenging context has important implications for management and leadership development practices:

- It requires managers who are skilled in operating and managing a global business.
- Managers are expected to have skills in managing subsidiaries, the transfer of knowledge and the development of marketing.
- Organizations that desire to be globally competitive will continually need to develop managers and leaders who have foreign operational experience.
- It requires leaders and managers who are comfortable working in organizations that regularly contract and expand in different directions.
- Leaders and managers will be expected to manage people during frequent periods of structural change and reorganization.
- Leaders and managers need to be confident and skilled to cope with situations of rapid growth and rapid decline.
- Leaders and managers will be increasingly expected to work in organizations or parts of organizations that are temporary in nature or project based.

### In practice: Are Leaders Developable?

Merck, Sharp and Dohme (MSD), the global healthcare company, starts with the most basic of questions when it comes to selecting individuals for leadership development: How developable is the individual? Given the investment in resources required to develop a leader, this represents a fundamental question. It is answered by using a systematic leader assessment process that focuses on three key criteria:

- *Self-confidence*: It is well established that developable leaders possess strong self-confidence. They project confidence in their interactions with others. They are confident; however, they are not arrogant. Arrogance is considered a significant derailing factor.
- *Competence*: Competence is considered an essential prerequisite for consistent, strong performance. Competence typically focuses on assessing baseline competencies that can be further developed. These include drive for results, rapid and disciplined decision making, strategic thinking and tolerance of ambiguity.
- *Emotional intelligence*: Emotional intelligence consists of both self and social-awareness components and includes interpersonal, conflict management, influencing and relationship management components.

Careful attention to these characteristics when selecting leaders for development will significantly enhance the prospects of future leadership success.

## Management and leadership competency models

Many organizations now use competency or behavioural frameworks to develop managers and leaders. They are extremely popular in multinational organizations; however, they are not without problems and are often viewed as a one size fits all strategy.

Confusion exists concerning the differences in meaning between the words 'competence' and 'competency'. 'Competence' can be defined as the minimum acceptable standard of performance and relates to the aspects of the job that have to be performed efficiently. 'Competency' refers to what leaders and managers need to bring to their roles to perform effectively. It denotes ability and capability and addresses the behavioural repertoire underpinning excellent performance: that is, what managers actually demonstrate in performing their role.

Cheng, Dainty and Moore (2005) identify 12 competencies that distinguish superior from average managers:

- *Achievement orientation*: The manager's concern for working towards a particular standard of excellence.
- *Initiative*: Taking proactive actions to avert problems in order to enhance job results and avoid problems.
- *Information seeking*: An underlying curiosity or desire to know more about things, people, or issues.

- *Focus on clients' needs*: Focusing efforts on discovering and meeting their clients' requirements, coupled with a desire to help or serve others.
- *Impact and influence*: The intention to persuade, convince, influence or impress others in order to support their agenda, or the desire to have a specific impact or effect on others.
- *Directiveness/assertiveness*: Intentions to ensure that subordinates comply with their wishes. Directive behaviour has a theme or tone of 'telling people what to do'. The tone ranges from firm and directive to demanding.
- *Teamwork and cooperation*: The genuine intention to work collaboratively with others as opposed to separately or competitively.
- *Team leadership*: The intention to take a role as leader of a team or other group. Although it implies a desire to lead others and so can be manifested in the form of formal authority and responsibility, effective team leadership also requires the leader to know when not to act authoritatively if they are to extract the best out of the team.
- *Analytical thinking*: The ability to understand a situation by breaking it apart into smaller pieces, or tracing the implications of a situation in a step-by-step causal way.
- *Conceptual thinking*: Understanding a situation or problem by putting the pieces together, seeing the large picture. This includes identifying patterns or connections between situations that are not obviously related, and identifying key or underlying issues in complex situations.
- *Self-control*: The ability to keep emotions under control and to restrain negative actions when tempted, when faced with opposition or hostility from others, or when working under conditions of stress.
- *Flexibility*: The ability to adapt to and work effectively with a variety of situations, individuals, or groups.

Competency modelling has become widespread. The models describe the particular competencies that are needed by individuals to effectively perform their work. Organizations like them because they provide a consistent framework for integrating human capital management systems and can help align employee actions with common strategic organizational goals, and facilitate performance improvement through a competency-based development process. Competency models are based on the idea that every position requires the job incumbent to possess certain competencies in order to perform at his or her highest level.

Competency-based management and leadership development typically involves the following key activities:

- identification of the core competencies needed for high-level performance in a specific position;
- assessment of the extent to which a particular job incumbent possesses those core competencies;
- creation of specific developmental opportunities to match the requirements of the competency.



Competency models, while popular in organizations, are again adopted much as an act of faith rather than on the basis of their actual contribution to business performance. There is relatively little research that demonstrates a link between bottom-line business performance and competency-based approaches to management and leadership development. They do not necessarily lead to greater transfer of learning and enhanced leader effectiveness. Other problems associated with the use of competency-based approaches to leadership development include the following: they fail to account for context; they are often designed with limited research into the behaviours required for effective performance; they are considered to be static rather than dynamic concepts; there is a lack of clarity concerning competencies; and many competency frameworks contain overlap and lack of contract validity.

### *In practice:* Designing leadership development initiatives at Genworth Financial

Genworth Financial is a leading worldwide financial services organization. It believes that good leadership makes a significant contribution to organizational success. All leadership development programmes within the organization are designed by using a process that answers the Why, Who, What, How and When questions. This process is very much driven by the senior executives of the organization in collaboration with the HR Function. The issues that are considered under each of these questions include, but are not confined to, the following issues:

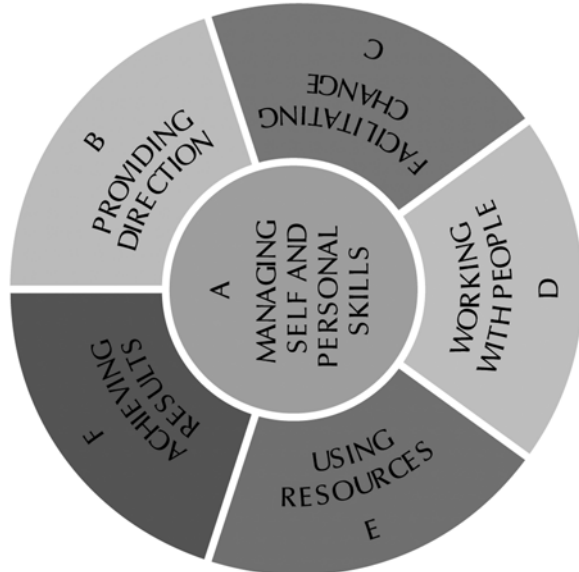
- *Why leadership development?* This question seeks to establish the purpose of the leadership development intervention. Is it to develop first-line supervisors, enhance the middle management team or develop senior leadership capability? The intervention for leadership development needs to be clearly articulated. In Genworth this may involve a series of discussions and consultations with key stakeholders.
- *Who will be the focus of leadership development?* Like other organizations, Genworth has a limited resource pool and has to make difficult choices concerning who should participate in leadership development. Questions that are asked in Genworth Financial include: Who will have the greatest impact on the organization? Who is motivated to attend the leadership development programme? Where does the organization have critical gaps in leadership capability? Where will the areas of business growth occur in the future?
- *What are the objectives for the leadership development programme?* The answers to this question focus on what participants are expected to learn. In Genworth Financial the learning objectives are shaped by the competency framework, the outputs of the performance management process, the talent management framework and data derived from the employee engagement survey.
- *How will we develop our leaders?* Genworth Financial utilizes a broad spectrum of strategies, including structured feedback, formal MBA programmes, structured in-house programmes, and coaching and mentoring. There is a strong emphasis on promoting self-awareness, the mastery of management skills and the transfer of these skills to the workplace. The type of strategy chosen to develop leaders always comes back to the objectives set for leadership development in the organization.
- *When will we develop our leaders?* Genworth Financial focuses on a number of issues when making this decision. It recognizes that people learn and develop over time; therefore they require space to develop. Particular interventions have a definite endpoint and Genworth utilizes a blended approach where each element builds on what has gone before.

These questions are answered through the collection of data, the analysis of individual and organizational data, and careful consideration of the value of the investment to the organization.

**FIGURE 19.1** Management and Leadership units (with acknowledgement to the Council for Administration, [www.cfa.uk.com](http://www.cfa.uk.com))

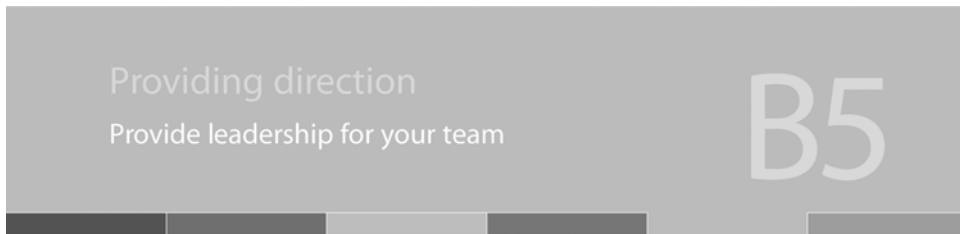
The new standards for management and leadership consist of the following units:

- A Managing self and personal skills**
  - A1 Manage your own resources
  - A2 Manage your own resources and professional development
  - A3 Develop your personal networks
- B Providing direction**
  - B1 Develop and implement operational plans for your area of responsibility
  - B2 Map the environment in which your organisation operates
  - B3 Develop a strategic business plan for your organisation
  - B4 Put the strategic business plan into action
  - B5 Provide leadership for your team
  - B6 Provide leadership in your area of responsibility
  - B7 Provide leadership for your organisation
  - B8 Ensure compliance with legal, regulatory, ethical and social requirements
  - B9 Develop the culture of your organisation
  - B10 Manage risk
  - B11 Promote equality of opportunity and diversity in your area of responsibility
  - B12 Promote equality of opportunity and diversity in your organisation
- C Facilitating change**
  - C1 Encourage innovation in your team
  - C2 Encourage innovation in your area of responsibility
  - C3 Encourage innovation in your organisation
  - C4 Lead change
  - C5 Plan change
  - C6 Implement change



- Working with people D**
  - D1 Develop productive working relationships with colleagues
  - D2 Develop productive working relationships with colleagues and stakeholders
  - D3 Recruit, select and keep colleagues
  - D4 Plan the workforce
  - D5 Allocate and check work in your team
  - D6 Allocate and monitor the progress and quality of work in your area of responsibility
  - D7 Provide learning opportunities for colleagues
- Using resources E**
  - E1 Manage a budget
  - E2 Manage finance for your area of responsibility
  - E3 Obtain additional finance for the organisation
  - E4 Promote the use of technology within your organisation
  - E5 Ensure your own actions reduce risks to health and safety
  - E6 Ensure health and safety requirements are met in your area of responsibility
  - E7 Ensure an effective organisational approach to health and safety
- Achieving results F**
  - F1 Manage a project
  - F2 Manage a programme of complementary projects
  - F3 Manage business processes
  - F4 Develop and review a framework for marketing
  - F5 Resolve customer service problems
  - F6 Monitor and solve customer service problems
  - F7 Support customer service improvements
  - F8 Work with others to improve customer service
  - F9 Build your organisation's understanding of its market and customers
  - F10 Develop a customer focussed organisation
  - F11 Manage the achievement of customer satisfaction
  - F12 Improve organisational performance

**FIGURE 19.2** Management Standards Unit 5 Providing direction: provide leadership for your team



### UNIT SUMMARY

#### What is the unit about?

This unit is about providing direction to the members of your team and motivating and supporting them to achieve the objectives of the team and their personal work objectives.

#### Who is the unit for?

The unit is recommended for team leaders.

#### Links with other units

This unit is linked to units D1 Develop productive working relationships with colleagues, B6 Provide leadership in your area of responsibility and D5 Allocate and check work in your team in the overall suite of National Occupational Standards for management and leadership.

#### Skills

Listed below are the main generic skills which need to be applied in providing leadership for your team. These skills are explicit/implicit in the detailed content of the unit and are listed here as additional information.

- Communicating
- Planning
- Team building
- Leading by example
- Providing feedback
- Setting objectives
- Motivating
- Consulting
- Problem solving
- Valuing and supporting others
- Monitoring
- Managing conflict
- Decision making
- Following

**FIGURE 19.2** *continued*

## Providing direction

Provide leadership for your team

# B5

### OUTCOMES OF EFFECTIVE PERFORMANCE

You must be able to do the following:

- 1 Set out and positively communicate the purpose and objectives of the team to all members.
- 2 Involve members in planning how the team will achieve its objectives.
- 3 Ensure that each member of the team has personal work objectives and understands how achieving these will contribute to achievement of the team's objectives.
- 4 Encourage and support team members to achieve their personal work objectives and those of the team and provide recognition when objectives have been achieved.
- 5 Win, through your performance, the trust and support of the team for your leadership.
- 6 Steer the team successfully through difficulties and challenges, including conflict within the team.
- 7 Encourage and recognise creativity and innovation within the team.
- 8 Give team members support and advice when they need it especially during periods of setback and change.
- 9 Motivate team members to present their own ideas and listen to what they say.
- 10 Encourage team members to take the lead when they have the knowledge and expertise and show willingness to follow this lead.
- 11 Monitor activities and progress across the team without interfering.

### BEHAVIOURS WHICH UNDERPIN EFFECTIVE PERFORMANCE

- 1 You create a sense of common purpose.
- 2 You take personal responsibility for making things happen.
- 3 You encourage and support others to take decisions autonomously.
- 4 You act within the limits of your authority.
- 5 You make time available to support others.
- 6 You show integrity, fairness and consistency in decision making.
- 7 You seek to understand people's needs and motivations.
- 8 You model behaviour that shows respect, helpfulness and co-operation.

**FIGURE 19.2** *continued*

## Providing direction

Provide leadership for your team

# B5

### KNOWLEDGE AND UNDERSTANDING

You need to know and understand the following:

#### General knowledge and understanding

- 1 Different ways of communicating effectively with members of a team.
- 2 How to set objectives which are SMART (Specific, Measurable, Achievable, Realistic and Time-bound).
- 3 How to plan the achievement of team objectives and the importance of involving team members in this process.
- 4 The importance of and being able to show team members how personal work objectives contribute to achievement of team objectives.
- 5 That different styles of leadership exist.
- 6 How to select and successfully apply a limited range of different methods for motivating, supporting and encouraging team members and recognising their achievements.
- 7 Types of difficulties and challenges that may arise, including conflict within the team, and ways of identifying and overcoming them.
- 8 The importance of encouraging others to take the lead and ways in which this can be achieved.
- 9 The benefits of and how to encourage and recognise creativity and innovation within a team.

#### Industry/sector specific knowledge and understanding

- 1 Legal, regulatory and ethical requirements in the industry/sector.

#### Context specific knowledge and understanding

- 1 The members, purpose, objectives and plans of your team.
- 2 The personal work objectives of members of your team.
- 3 The types of support and advice that team members are likely to need and how to respond to these.
- 4 Standards of performance for the work of your team.

## Selecting management and leadership development strategies

Organizations have a variety of choices when it comes to management and leadership development strategies. These range from the formal to the informal, and from those that are organization-directed to those that are self-directed. Table 19.1 provides a summary of management and leadership development strategies.

It is generally accepted that the majority of management and leadership development activities in organizations are both formal and organization-driven. It is assumed that these interventions will produce change in managers; however, there is strong evidence to suggest that most learning to manage actually occurs informally on the job (Dawes et al, 1996) in tacit, culturally embedded ways through people's work practices within organizations, groups and other communities (Lave and Wenger, 1991). A product of learning from experience in these settings is tacit knowledge (Nonaka and Takeuchi, 1995), believed to be one of the most important factors distinguishing successful managers from others (Wenger and Snyder, 2000). Definitions of formal management and leadership development suggest that it: *is concerned with unambiguous objectives, highly structured interventions, where the locus of control is outside managers, and the learning may be real or disconnected, and artificial in nature*. Leaders and managers tend to perceive formal development opportunities as a mechanism to develop more transferable competencies and to remain marketable and employable (Garavan, Hogan and Cahir-O'Donnell, 2008). Managers do not necessarily view formal development interventions as a basis for advancement or progression. It is more about the manager maintaining his/her value in the labour market (Carbery and Garavan, 2007).

Formal learning and development interventions have the potential to enhance the development of organizational competencies. Specific aspects of competency that are increasingly valued by organizations include planning of work, organizing and reconfiguring resources, dealing with crises, taking risks, and problem-solving and decision-making skills. The possession of organizational competencies helps the organization to achieve competitive advantage. There is some evidence that manager recruitment and retention is a knock-on effect of the provision of formal learning and development opportunities, and managers are highly attracted to organizations that can offer formal development opportunities.

Informal and non-formal management and leadership development activities primarily tend to be self-directed. Such development occurs naturally through day-to-day work processes. The contemporary viewpoint is not to see formal and informal leadership and management development as competing paradigms, but to consider them as two sides of the same learning process. Garavan, Hogan and Cahir-O'Donnell (2008) suggest that, at the level of the manager, formal and informal learning activities are interrelated, contributing in different ways to the building of knowledge and competency.

Informal management and leadership development differs from formal activities in that it is incidental to everyday endeavours. Sometimes led by the learner, or assisted by friends or work colleagues, it occurs in the workplace, family, community,

**TABLE 19.1** The spectrum of management and leadership development interventions

	Organization-directed	Self-directed
<b>Formal approaches</b>	<ul style="list-style-type: none"> <li>• Multi-source feedback</li> <li>• Action learning</li> <li>• Feedback intensive programmes</li> <li>• MBA programmes</li> <li>• Executive programmes</li> <li>• Outward bound programmes</li> <li>• Developmental assessment and accreditation centres</li> </ul>	<ul style="list-style-type: none"> <li>• Individual development plans</li> <li>• Individual career planning</li> <li>• Self-directed developmental counselling</li> </ul>
<b>Job-based approaches</b>	<ul style="list-style-type: none"> <li>• Stretch assignments</li> <li>• Hardship experiences</li> <li>• Special projects</li> <li>• Secondments</li> <li>• International assignments</li> <li>• Acting up</li> </ul>	<ul style="list-style-type: none"> <li>• Voluntary activities</li> <li>• Participation in CSR activities</li> <li>• Shadowing</li> </ul>
<b>Relationship-based approaches</b>	<ul style="list-style-type: none"> <li>• Peer coaching</li> <li>• Executive external or internal coaching</li> <li>• Peer mentoring</li> <li>• Hierarchical mentoring</li> <li>• Developmental relationships</li> <li>• Peer support groups</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback seeking</li> <li>• Career exploration</li> <li>• Observation</li> <li>• Questioning</li> </ul>
<b>Informal and non-formal approaches</b>	<ul style="list-style-type: none"> <li>• Learning from mistakes</li> </ul>	<ul style="list-style-type: none"> <li>• Communities of practice</li> <li>• Reflection</li> <li>• Interaction with peers</li> <li>• Participation on networks</li> </ul>

**SOURCE:** Garavan, Hogan and Cahir-O'Donnell, 2008.

or among a network of colleagues. In these situations, learning is a side product of some other activity such as management meetings or project teamwork, and is unplanned, unintentional or interdependent learning that derives from experience and is highly self-directed on the part of the individual. Informal learning is a multi-dimensional and multi-faceted concept that occurs in many different environments. The extent to which informal learning is effective in a leadership and management development context depends on the broader organizational, social, cultural and political context within which it is located, as well as the learning practices utilized.

The term 'experiential learning' is increasingly used to capture the informal or non-formal nature of learning that is based upon reflective experiences. This change in rubric has been driven by the move from 'instruction' to 'learning' (Margerison, 1991). One example includes Lave and Wenger's (1991) theory of situated learning, which emphasizes the interaction between individual learning, practice and everyday work tasks. Another example is Brown and Duguid's (1991) theory of communities of practice, which stresses the term community and social relationships around the learner. Drawing on Polanyi's (1966) distinction between explicit and tacit knowledge, the latter is often regarded as being the most valuable for a successful managerial career (Wenger, McDermott and Snyder, 2002) and is thought to be one of the most important factors distinguishing successful managers from others (Argyris, 1999; Wenger and Snyder, 2000). Tacit knowledge, which can only be derived from experience, is essentially knowledge that people don't know they have. Managers often use a variety of other non-formal strategies such as observation, reflection, questioning, interpersonal interactions and learning from mistakes.

### *In practice:* Aligning leadership development with global business strategy: the Bristol-Myers Squib experience

Bristol-Myers Squib is a leading global company dedicated to the discovery, development and delivery of innovative medicines that help patients conquer serious diseases. One of its major strategic initiatives is called a 'String of Pearls' that combines strategic alliances, partnerships and acquisitions to achieve strategic growth. In 2010 it invested over US\$4 billion in research and development (R&D).

Within the corporate, general managers (GMs) are considered a vital strategic group. There are both commercial GMs who bring products to markets, and technical operations GMs who have responsibility for both the manufacturing and quality of products. General managers within BMS manage multiple functions, they focus on strategy creation and they have ultimate decision-making authority, in both contracts and technical operations. They work within matrix structures and are considered a vital component of the corporation's leadership pipeline. Global managers are expected to manage multiple paradoxes, including being both global and local, focusing on both strategy and execution, being decisive as well as emphasizing collaboration, and balancing innovation and risk.

The leadership development strategy within BMS, the Global Learning and Management Development function, implements a development approach that focuses on the unique needs of GMs. A number of unusual features of their approach include:



- comprehensive needs analysis based on a multi-source, multiple-perspective view of managers;
- careful leveraging of existing learning resources within BMS;
- the utilization of blended learning approaches such as social networking, leader-led development and e-learning;
- the establishment of a General Manager Advisory Council (GMAC) to provide input and guidance, and overcome organizational barriers to development;
- the implementation of an exclusive on-boarding process for newly promoted general managers;
- a peer-coaching process designed to leverage the skills that GMs will bring to their roles.

The leadership development strategy within BMS is based on the involvement of key stakeholders throughout the process, the leveraging of visible champions for development, the effective utilization of resources and the use of blended solutions. It views general managers as central to its strategic transformation process.

## Evaluating management and leadership development

There are a number of particular challenges encountered when evaluating management and leadership development activities (Chapter 18 provides a discussion of evaluation in general). A number of problems can be highlighted here. The generic nature of most evaluation models makes them difficult to apply to leadership and management development. The further up the organizational hierarchy, the more intangible the nature of development. The soft skills involved in developing leaders and managers are much more difficult to evaluate than hard skills. Given that most training and development evaluation models are geared towards highly structured formal events, they ignore the context in which leadership and management development takes place.

Defining learning objectives for leadership and management development programmes is generally more difficult than for more task-specific training and they tend to be vague and lack objective precision. They tend to be learning aims rather than objectives.

There are also significant challenges in establishing that management and leadership development impacts on the bottom line. The imprecise nature of leadership and management development, combined with the complex and dynamic context in which organizations operate, makes any causal links between leadership and management development and organizational performance particularly tenuous and difficult to establish.

Management and leadership development may have a limited direct effect on organizational performance; however, it may have a significant indirect effect on aspects of organizational culture such as improved morale, increased flexibility and

adaptability, and a more responsive management style. While evaluation models may find limited direct returns on investment from leadership and management development programmes, the activities may have a significant indirect effect on the workplace that many evaluation models overlook.

Increasingly organizations have begun to focus on 'return on expectation' rather than return on investment. Such an approach requires that various stakeholders articulate their expectations for management and leadership development. It is then the task of the evaluation process to gather evidence to determine whether those expectations have been met or not. Such an approach emphasizes a satisfying rather than optimizing approach to evaluation.

## Conclusion

Management and leadership development represents an important HRD activity undertaken by organizations. Given the complex and dynamic external environment within which organizations operate, management and leadership development activities are considered vital to enhancing leadership capability and the leadership pipeline. Management strength represents an important source of competitive advantage, and organizations use a variety of management and leadership development strategies to develop this human resource pool. Investment in management and leadership development is driven by the belief that it confers significant benefits to both individual leaders and organizations. Individual benefits highlighted include enhanced leadership skills, increased self-awareness and confidence, enhanced interpersonal and emotional management skills, and broadened perspectives. Specific organizational benefits highlighted include productivity, financial performance and competitive advantage.

Increasingly managers are expected to take responsibility for their development; however, organizations also have responsibilities in this respect, and use a variety of development strategies to develop their managers. These organizational-driven strategies include: multi-source feedback, formal in-house programmes, coaching, mentoring, acceleration centres and a variety of planned job assignments. Self-directed methods include: reflection, observation, questioning and learning from mistakes.

The evaluation of management and leadership development is a difficult task. Traditional evaluation models prove difficult to apply to development activities that are more intangible, less clearly defined and lacking in clear learning objectives.

## Questions for reflection

- Compare and contrast management and leadership? Support your argument with evidence.
- What impact does the knowledge-based economy have on the practice of leadership and management?
- Develop a management development programme; explain the reasoning for the structure and contents.

## Further information sources

Management Standards Centre: [www.management-standards.org](http://www.management-standards.org)  
 Council for Administration: [www.cfa.uk.com](http://www.cfa.uk.com)

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