

Preface

In contemporary organisations management and leadership development practices continue to evolve. Managers and leaders are a highly influential group in terms of creating high-performance organisations, and leadership strength is considered essential to improved competitiveness and future growth. Organisations that take a strategic approach to management, leader and leadership development produce higher-quality leadership talent and have greater competitiveness in the marketplace. Best-practice organisations are characterised by the intensity and quality of their management, leader and leadership interventions and investments. They do much the same as other organisations but with greater consistency and more prioritisation.

The growth in management, leader and leadership development is an international phenomenon. In the USA, for example, surveys reveal that organisations now pay more attention to leadership development and allocate greater resources to it. Managers are typically the decision-makers with regard to the opportunities afforded by new technologies; they are pivotal in how proactively and effectively change is managed; and they are particularly instrumental in creating an organisational culture of development. Surveys in Europe reveal that the top companies are more likely systematically to develop their leaders and prepare them for future challenges. The systematic development of managers and leaders has a positive influence on a range of organisational outcomes, although it may take a substantial period of time to produce returns: it can take up to twenty years for a leader to acquire all the skills needed to solve complex organisational problems. Development is therefore progressive in that the manager will proceed from relatively simple situations to those that require complex knowledge. The kinds of experience that promote development at one point in a leader's career are different from those that may be beneficial at a later stage.

Not all organisations pay adequate attention to the development of managers and leaders. Some, especially small and medium-sized enterprises (SMEs), neglect the training and development of managers and leaders, or it becomes a casualty of cost-cutting. It is considered a cost rather than an investment, and where it is undertaken it is piecemeal, not sufficiently strategically integrated and rarely systematically evaluated. Some studies have highlighted the weakness of links between business strategy management and leadership development strategy in SMEs. Small firms often produce rigid development plans that are not responsive to changing business strategies. They tend to be inward-focused and centred on the demands of the immediate business environment.

There is a mixed picture of management and leadership development in Ireland. Large organisations are generally committed to and invest more in management and leadership development, but SMEs show significantly less commitment. Indigenous firms (both large and small) are less effective than multinational companies (MNCs) in aligning their management and leadership development initiatives with business strategy. They tend to carry out management and leadership development on an ad hoc basis. Management and leadership development has moved up the list of priorities in MNCs, and a growing number

of organisations see it as an essential part of wider human resource management (HRM) and development strategy.

We currently know a great deal about the factors that shape management, leader and leadership development in organisations. It is in the application of this knowledge that organisations fall short. There is an abundance of literature highlighting the shifting priorities of organisations. Poorly designed HRM and leadership development systems, and outmoded assumptions about how leaders develop, cause organisations to implement ineffective leadership development interventions. Organisations frequently assume competency models to be static rather than dynamic, while in reality competency models can quickly become outdated because of changes in the organisation's environment. Best-practice organisations take proactive approaches to building leadership talent. Leadership requirements vary according to situation and level in the organisation. The requirements of a start-up organisation differ from those of a mature organisation and from those of an organisation that has experienced a fundamental transformation. Similarly, there are major differences between leadership at functional, business unit and chief executive levels. Organisations often take a unitary approach to leadership development across different levels and situations. Those occupying top positions frequently ignore their own development: chief executives and directors are less likely than their junior colleagues to participate in management and leadership development initiatives.

Management, leader and leadership development are ambiguous and potentially contradictory concepts. They can have different meanings for different stakeholders in an organisation. Managers frequently consider management, leader and leadership development to be concerned solely with attending training courses and external seminars. Middle managers often view management and leadership development as being about managing their careers. Senior managers often focus on the strategic contribution of management and leadership development. At a societal level, the focus is on the development of a society that effectively harnesses human potential and builds knowledge. At this level there will also be a concern that managers continue to learn and are socially responsible. These differences suggest that the search for a universal paradigm or model of management, leader and leadership development is futile. It may be more useful to understand how these processes operate in diverse situations and what contribution these processes can make to individuals, organisations and societies.

Evidence of Management and Leadership Development: Best Practice or Best Principles?

The notions of best principles and best practice are controversial. Studies of management, leader and leadership development indicate that organisations have distinct and unique processes and there is doubt about whether or not they can be duplicated. However, a number of fundamental principles of effective management leader and leadership development can be articulated:

- **Support of Top Management:** Effective management and leadership development requires top management or CEO support to be effective. In reality, this support is frequently absent. Companies with CEO support and involvement show higher financial returns than those whose top management is less involved.
- **Involvement of the Board of Directors:** This is even more significant than top management support. We believe that the board has a duty to ensure that the organisation has a pool of well-developed leaders who have the capacity to execute the strategies of the organisation. It can make a major contribution in mentoring senior managers, participating in development programmes and formulating management and leadership development processes and strategies.

- **A Focus on Developing the Total Management Pool:** We have observed that a number of organisations prioritise their management and leadership investment, focusing on the top ten to fifteen per cent of their current leadership population. This strategy is acceptable as far as succession to the top team is concerned, but it can leave weaknesses at other levels of development. All managers should have an opportunity to participate in ongoing development, though the intensity of this development may vary. High-potential managers and leaders are likely to need more intensive levels of investment in development, but not at the expense of other ‘solid’ performers. Strong companies will have a leadership bench strength which has depth and breadth.
- **A Diversity of Leadership Development Interventions:** Research undertaken by the Corporate Leadership Council indicates that feedback and relationship-focused development are important for leadership development. This is followed in importance by on-the-job experience. The most important feature of this is the amount of decision-making authority managers have. Organisations must consider the strength of their total leadership bench.
- **Selecting the Right Practices and Implementing them Correctly:** Establishing the right approach is complex, and depends on many factors, including the life cycle stage of the company, its culture and structure, and the external environment. Most fundamental is the strategic direction of the organisation. When appropriate practices are selected they need to be implemented thoroughly. The best companies execute their leadership development effectively. Three aspects of execution are important: 1) synergies between different practices; 2) the degree to which the espoused practices are actually utilised; and 3) the extent to which their effectiveness is measured. Accountability is important. The best companies hold managers and leaders accountable for the success of development initiatives. Accountability means accountability for the development of the team as well as the development of oneself and can be incorporated into performance management and rewards.

Key Assumptions About Management and Leadership Development

Assumption 1: Effective leadership requires a combination of ability, skill and motivation. Skill and ability will be ineffective without a strong motivation to perform, which in turn is a function of self-confidence and willingness to perform. Self-confidence derives from a leader’s ability to influence, and self-motivation determines the leader’s capacity to motivate others. Managers and leaders who are skilled in motivating others are less aggressive, less critical and have greater emotional stability. A long line of research indicates that the extent to which leaders influence their followers is related to self-confidence, but in order to be an effective leader it is also important to possess the capacity to motivate others. Judge and Bono (2000), for example, found that warmth, trust, altruism and emotional stability are the most significant predictors of effective leadership. Other studies have found that effective leaders are less likely than others to be critical or aggressive in their behaviour.

The practitioner literature focuses on the ability of leaders to ‘move’ people. This is often referred to in more academic literature as the ability to inspire others with a vision of the future to which they can aspire. To express and communicate this vision with enthusiasm, leaders are expected to be optimistic and energetic and to have the requisite communication skills.

Assumption 2: Management and leadership development involves components of selection and socialisation. Organisations need to select people who have the potential to become leaders, taking into consideration both ability and motivation to lead. Management and leadership development needs to pay attention to the socialisation dimension of both processes, which enable the manager/leader to understand the values of the organisation and to function effectively within it.

Assumption 3: Experience is a central component of effective management and leadership development. Managers and leaders are better able to cope with abstract situations when they have experience of similar situations. Experience also contributes to self-confidence and self-efficacy. Kotter (1988) found that, in retrospect, managers viewed practical experience as a most important process in their preparation for leadership positions.

Assumption 4: Managers and leaders learn from observing the behaviour of others. Bandura (1995), for example, found that leaders learn a great deal from observing other leaders. This is important because it expands the number of opportunities for learning a complex range of behaviours, which occur in situations that are too complex to be simulated in formal development interventions.

Assumption 5: There are critical periods in an individual's life when various skills that contribute to management and leadership are shaped more emphatically than at other times. These include childhood experiences in the home, at school and at social events. Zaleznik (1992), for example, found that crucial experiences included the absence of a father at home, whereas Kotter (1988) found that the development of managers and leaders was influenced by early management experiences. Popper and Maysless (2003) suggested that the world view of leaders is largely formed by their operational experience and, most significantly, at the beginning of their entry into key managerial roles.

There are many myths about management and leadership development, most frequently expressed by managers with little or no commitment to their own development. Three myths in particular are found in the discourse of managers: that good leadership is common sense; that good leaders are born, not made; and that effective leadership is developed in the 'school of hard knocks'. Figure 1 looks in more detail at these myths.

Figure 1: Three Common Myths Concerning Management and Leadership Development

Myth 1: Effective Leadership is no More than Common Sense

This myth is the idea that the possession of common sense is the only requirement needed to be an effective leader. The basic weakness of this myth is the definition of 'common sense'. To practitioners it may mean a body of practical knowledge about life, but one of the challenges is to know when common sense applies and when it does not. If leadership consisted primarily of common sense, organisations would have little difficulty in finding leaders, but research tells us that this is not the case. This suggests that common sense itself is not sufficient for effective management and leadership development.

Myth 2: Leaders are Born, not Made

There is a school of thought that suggests that leadership is in the genes. This view is supported by research that indicates that cognitive abilities and personality traits are partly innate and that these characteristics may enhance or limit the manager or leader. Another school of thought takes the view that it is life experience that makes the leader. It is possible that both views are correct, because both innate characteristics and experience are important in explaining the behaviour of leaders.

Myth 3: Leadership is Developed in the School of Hard Knocks

This myth challenges the notion that it is possible to develop managers and leaders through formal training and education. It argues that the only way leadership can be developed is through experience. We take the view that both formal development interventions and experience are necessary to develop effective managers and leaders. It is more appropriate when discussing the contribution of formal development interventions to consider the types of intervention that are appropriate. Leadership development plays a critical role and specific interventions can enhance a leader's ability to understand the relevance of key lessons derived from experience. Formal leadership development interventions provide potential managers and leaders with frameworks within which they can examine particular leadership situations. They provide leaders with the opportunity to use multiple perspectives as well as skills to help them to become better leaders.

Distinctive Text Features

This textbook has a number of important features:

- Streamlined text in eighteen chapters with particular focus on strategic management and leadership development of global leaders, the integration of management and leadership development with succession management and talent management practices and development issues related to different contexts and groups.
- Case scenarios that place the student/practising manager in a decision-making role with regard to selecting management development strategies, designing development activities and implementing management and leadership development so that it will contribute to the success of the organisation.
- Research focus notes giving guidelines to organisations and managers on how to implement and contextualise management and leadership development practices.
- Multiple perspectives that examine different levels of analysis, in addition to the perspectives of managers as individual learners. Drawing on international research, we consider individual, team and country organisational perspectives.
- Current practices are identified, but we are conscious that context will determine the effectiveness of these practices. We do specify the issues that should be considered in order to ensure successful management and leadership development.
- Discussion and application questions at the end of each chapter challenge students and managers on topics addressed in the chapter. These will provide immediate feedback on understanding.

Organisation of the Book

Throughout this book, we use the terms ‘management development’ and ‘leadership development’ interchangeably, although we discuss the conceptual and practice differences between the two concepts in Chapter One. We also introduce the concept of leader development, but for the remainder of the book we combine this concept with leadership development. Many development processes in organisations focus on the development of both management and leadership skills.

The book is divided into four major parts. Part One comprises three chapters in which we summarise key concepts and theories relating to management, leader and leadership development, the context of leadership development and the nature of management and leadership. Chapter One, which is conceptual in nature, considers the scope and purpose of management, leader and leadership development. In Chapter Two we provide a detailed consideration of the key internal and external factors that serve as a context in which managers and leaders operate. Chapter Three considers the nature of managerial work and theoretical views on leadership. Material from recent debates in leadership research is also included in this chapter.

Part Two of the book focuses on organisational aspects of management and leadership development, including the positioning of management and leadership in organisations, the structure of leadership development activities, the use of competency-based approaches to leadership development, and talent management processes. Chapter Four outlines the characteristics of strategic management and leadership development and the various decisions that organisations need to make to ensure that management and leadership development contribute to strategic objectives and are aligned with other human resource strategies. Chapter Five focuses on how organisations can structure and manage their leadership development, emphasising policy, structures and stakeholder dimensions. Chapter Six looks at the advantages and limitations of competency-driven models and the issues

organisations need to face when these are used to drive leadership development. Chapter Seven focuses on talent management and succession management in organisations, with particular emphasis on the development issues that emerge from these processes.

Part Three focuses on management and leadership development interventions and processes. Chapter Eight considers formal interventions such as personal growth-based, skill-based and feedback-based programmes. We also pay particular attention to action learning and management or leadership education. Chapter Nine focuses on formal job assignments and the characteristics of various special projects, acting up and secondments. Chapter Ten examines formal developmental relationships and identifies the spectrum of developmental relationships in organisations. Chapter Eleven looks at informal management and leadership development processes such as reflection, peer conversations and informal coaching and mentoring.

Part Four of the book focuses on various aspects of management and leadership development for different groups and contexts. Chapter Twelve considers individual development and self-managed learning, highlighting the challenges of this type of learning for organisations and the role of learning contracts in managing self-development processes. Chapter Thirteen outlines career development processes, emphasising the challenges of organisationally directed career development activities that are focused on the individual. Chapter Fourteen describes and evaluates the role and efficacy of development processes in enhancing team effectiveness and the competencies of executives. Chapter Fifteen discusses development issues associated with female managers, entrepreneurs, CPD for managers and small-firm development issues. We also highlight leadership development issues in voluntary organisations and for mid-career managers. Chapter Sixteen focuses on collective approaches to management and leadership development, discussing how concepts such as the learning organisation, organisational learning, knowledge management and leadership can be used to develop managers and leaders. Chapter Seventeen discusses the issues involved in developing an international and global cadre of managers and leaders, and the challenges involved in developing expatriate managers and in ensuring that the competencies of managers are appropriate for international tasks. Chapter Eighteen, the final chapter, focuses on comparative aspects of management and leadership development, exploring how different world views influence our thinking about what constitutes management and leadership development and whether there is convergence or divergence in management and leadership development thinking and practices across countries.



PART ONE



CHAPTER ONE
**Understanding Management and
Leadership Development**

CHAPTER TWO
**The Context of Management and
Leadership Development**

CHAPTER THREE
**Understanding Managers and
Leaders in Organisations**

Understanding Management and Leadership Development

Outline

Learning Objectives

Opening Case Scenario

Management and Leadership Development: The Same or Different?

Distinguishing Management, Leader and Leadership Development

Why Should Organisations Invest in Management, Leader and Leadership Development?

- Characteristics of Managers' and Leaders' Jobs
- Strategic Fit and Competitive Advantage
- Leadership Development and Organisation Socialisation
- Leadership Development, Succession and Talent Management

Perspectives on Management, Leader and Leadership Development

- The Beardwell and Holden Model

- Talbot's Typology of Management and Leadership Development
- The Mabey Model
- Burgoyne and Reynolds' Arena Thesis

A Piecemeal Approach

- An Open Systems Approach
- A Relational Approach
- A Critical Theory Perspective

A Dynamic Approach to Management and Leadership Development

Leadership Development as Sustainable Development

Holistic Management and Leadership Development

Conclusion

Summary of Key Points

Discussion Questions

Application and Experiential Questions

Learning Objectives

After reading this chapter you will be able to:

- Define management and leadership and explain how they differ in theory and practice.
- Define management, leader and leadership development and distinguish these concepts from related concepts such as management education and training, organisational development, career- and self-development.
- Explain the potentially conflicting purposes of management, leader and leadership development processes in organisations.
- Understand the different perspectives which are used to interpret the contribution of management and leadership development for organisations and individuals.
- Outline a number of emerging perspectives and models on management, leader and leadership development.

OPENING CASE SCENARIO

First Data's Approach to Leadership Development: Designing a Leadership Model

First Data Corporation is a global payments company which provides electronic commerce and payments services worldwide. It has approximately 3.5 million merchant locations, 1,400 card issuers and millions of customers. It seeks to add value for its customers by ensuring it is easy, fast and secure for customers (people and businesses) to buy goods and services using virtually any form of payment. It provides credit, debit and smart cards, issues store value cards and provides merchant transaction-processing services. It also provides internal commerce solutions, money transfer services, money orders and cheque processing and verification services. First Data has operated in Ireland for the past ten years. Its Irish headquarters are located in Dublin, where it employs a total of a thousand people.

The First Data leadership model is based on its core business beliefs and values. These core beliefs emphasise a single company approach, performance, leadership and innovation. The organisation places a strong emphasis on operating as a single entity in order to ensure unity of purpose and economies of scale. This unity of purpose ensures that leadership behaviour is consistent across the organisation. Performance is an essential requirement of the organisation. There is a strong emphasis on ensuring that leaders understand what is expected of them and that they demonstrate abilities above and beyond their current role. Leadership starts at the top. Senior executives and managers are expected to embrace key behaviours and use those behaviours to motivate performance. Innovation is valued within First Data. Leaders are expected to be innovative and to inspire innovation in others.

First Data adopted a systematic approach to developing its leadership model, identifying key leaders within the organisation who demonstrated effective leadership. Managers were interviewed about their leadership skills and actions and, from those interviews, the

OPENING CASE SCENARIO *contd.*

organisation identified key behaviours. First Data senior executives were involved in identifying competencies that they considered vital to the organisation's future success. It also looked at other high-performance organisations and identified how they approached leadership. The leadership model which evolved is based on four key themes: a leader's demonstrated ability to mobilise and manage talent in his or her organisation; a leader's ability to drive and inspire high performance; a leader's ability to focus and innovate, including the need to know about trends external to the organisation and to assess their impact on First Data; and a leader's ability to align, to develop strategic partnerships across the organisation and with its customer base. Each theme was then used to specify a cluster of competencies which leaders are expected to demonstrate. The behaviours associated with each competency are broken down into four levels: baseline, intermediate, advanced and mastery. Baseline behaviours are considered to be core to performance and emphasise the tactical and short term. At the other end of the spectrum, mastery level behaviours are more aspirational and focus on the organisation and its strategic direction. Leaders who have achieved the mastery level are consistently able to demonstrate the behaviours identified at the three previous levels.

Each competency cluster was given a precise definition and included a number of specific competencies. In turn, each competence component was defined in terms of its core focus, its key dimensions, and it included a behaviour scale which highlighted the depth of the competency. For example, the 'mobilise' cluster included three competencies: inspirational leadership or the capacity of the leader to communicate a compelling vision; developing people, which is the capacity to take ownership and value the development of others; and managing talent, which focuses on the leader's capacity to build organisational capacity. The 'drive' cluster included three competencies: drive for experience, which is defined as the leader's drive to improve performance and achieve excellence; impact and influence, which focuses on the skills of the leader deliberately to influence others; and organisational savvy, which refers to the skills of the leader to leverage insight into the organisation to get things done. The focus/innovate cluster included two competencies: 'scanning', which involves the leader's curiosity to research issues within and beyond his/her line of business; and developing creative solutions, which focuses on the extent to which the leader generates creative solutions to meet business needs. The align cluster indicates the need to develop a global mindset and customer partnership competencies. A global mindset is defined as the extent to which the leader can adapt his or her behaviour and business decisions in accordance with corporate and country cultures. Customer partnership emphasises the abilities of the leader to partner with customers to achieve business results.

The leadership model is not a stand-alone concept, but is integrated with a range of other human resource management processes. It is used in recruitment and selection as a tool to assess internal and external leadership candidates and as a framework for integrating new leaders. It is also used for the purposes of development. This includes matching a leader's skills to position requirements and helping the organisation understand how best to develop its leaders in order to meet the future needs of the organisation.

This model has had a major impact on the development of managers in First Data. It serves as a framework for the organisation's development initiatives. It is used as a tool for coaching and mentoring leaders, and it is the foundation of the organisation's 360-degree feedback process. It has helped to shape the organisation's approach to succession and talent management. It is useful as a metric for assessing and evaluating current and future

OPENING CASE SCENARIO *contd.*

capability gaps, as a basis to help leaders determine performance and potential level of leaders and as a basis to manage performance and formulate a talent management strategy.

Talent management and succession planning are given particular focus in this bespoke model. They are designed to evaluate the organisation's talent readiness for strategy execution; to understand talent requirements, both short and long term; to assess leaders regarding results, behaviours, potential and development priorities; to identify critical roles; to assess current incumbents' capabilities and potential; to assess retention risk by determining the likelihood of turnover and its impact on the business; to identify opportunities to acquire leaders with growth potential who can add strategically required skills and capabilities; and to create organisation and individual talent action plans with a focus on accountability.

First Data has created a talent forum and succession management process in order to ensure the effective implementation of the leadership model. This involves the business unit leader meeting with the human resource generalist to establish goals and priorities for the talent forum. The leader and HR generalist then meet with the leader's direct reports to communicate process, timeline, roles, responsibilities and data collection requirements. Leaders then send out communications to direct reports and their employees, identified as participants in the talent forum, to outline timelines and requirements. Direct reports are then expected to complete organisation and employee assessments of leaders identified as participants, complete individual talent profiles and self-assessments. The business unit leader hosts the talent forum or review. The leader and his/her direct reports will be required to discuss organisational strategy, talent requirements and individuals within the organisation. Talent forums begin in the fourth quarter of the year and continue into the second quarter of the following year. The information gathered is sent to the executive committee, which culminates with the CEO's talent forum. The findings of the talent forum are presented to the board of directors during their summer meetings. The organisational development function facilitates the talent forum process and then works on a one-to-one basis with individuals on their development plans.

QUESTIONS

- Q.1** What approach does First Data take to the development of managers or leaders? Explain your answer.
- Q.2** What do you see as the strengths and weaknesses of First Data's approach to ensuring that it has a supply of talented leaders in the future?
- Q.3** Using the ideas presented in Table 1.9 (see p. 27), analyse which particular frame(s) is/are evident in the First Data case scenario.

Management and leadership are contested concepts. Some commentators consider them to be one and the same, whereas others define management and leadership as complex, interrelated but distinct concepts. Most of the earlier writings talked about management rather than leadership. They focused on explaining management in terms of key financial activities and behaviours which have a task orientation. Leadership, in contrast, tends to be defined in terms of vision, motivation and a people orientation. The term leadership is now considered to be superior to the concept of management. There is considerable evidence in practice that management and leadership are interchangeable activities that are not easily defined. The practitioner literature does suggest that both concepts share some distinct elements. The field of management and leadership development makes distinctions between management, leader and leadership development.

This chapter is essentially theoretical in nature. We distinguish management development from leader and leadership development. The chapter highlights a range of related concepts that are used by practitioners and academics. We suggest a possible synthesis by identifying the common features of these activities. The chapter provides a rationale for investment in management, leader and leadership development and explores in detail a number of models of management, leader and leadership development.

Management and Leadership Development: The Same or Different?

The question of whether management and leadership are distinct concepts is contested. Cunningham (1986), for example, identified 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 (1985) suggested that the two concepts are separate but related, whereas the third position sees the two concepts as partially overlapping. There is evidence, amongst academics at least, of a bias to distinguish leadership conceptually from management, usually at the expense of the latter. Management as an activity and concept is often viewed as a 'second-class citizen', something which is very transactional in nature.

Since the 1980s the majority of scholars trying to understand transformational leadership have sought to differentiate between leading and managing and to understand leading as something distinct and separate from managing. We will focus in detail on transformational leadership in Chapter Three. Kotter (1996) argued that leaders and managers are distinct in their roles and functions. He considered management to be concerned with planning and organising, whereas leadership is concerned with creating value, coping with change and helping organisations to adapt in turbulent times. Two other recent contributions likewise emphasised that the concepts are different. Boydell *et al.* (2004) considered management to be about implementation, order, efficiency and effectiveness. They defined leadership as being concerned with future direction in times of uncertainty. Boydell and his colleagues argued that although management may be sufficient in an organisation in times of stability, it is insufficient when organisational conditions are characterised by complexity, unpredictability and rapid change.

Kent *et al.* (2001) focused on identifying three key differences: purposes, products and processes. These differences are illustrated in Table 1.1. We have added three additional dimensions of potential difference.

Table 1.1: Differences between Leading and Managing

Leading	Managing
<p><i>Purpose</i></p> <ul style="list-style-type: none"> To create direction and the unified will to pursue it through the development of people's thinking and valuing their involvement 	<p><i>Purpose</i></p> <ul style="list-style-type: none"> To determine and compare alternative uses and allocation of resources and to select the alternative which is most effective towards accomplishing or producing a product, end or goal

Leading	Managing
<p><i>Products</i></p> <ul style="list-style-type: none"> • The establishment of trust towards a purpose or end • The creation of social orderliness to carry out that trust • Higher states of behaviour and thinking in terms of principles, values and ethics 	<p><i>Products</i></p> <ul style="list-style-type: none"> • The provision of resources, organised effort and awareness of performance and progress towards goals • The creation of a desired model of combining people with other resources • The creation of the most energy-effective way of dealing with the causes of events and situations in order to accomplish a purpose tied to a particular situation
<p><i>Processes</i></p> <ul style="list-style-type: none"> • Creating vision, aligning people within a team, managing their 'self', recognising and rewarding, communicating meaning and importance of the vision 	<p><i>Processes</i></p> <ul style="list-style-type: none"> • Planning, organising, controlling and co-ordinating
<p><i>Values</i></p> <ul style="list-style-type: none"> • Leaders value flexibility, innovation and adaptation • Leaders are concerned with what things mean to people and then try to get people to agree about the most important things to be done • Leaders are people who do the right things 	<p><i>Values</i></p> <ul style="list-style-type: none"> • Managers value stability, order and efficiency • Managers are concerned with how things get done and try to get people to perform better • Managers are people who do things right
<p><i>Outcomes</i></p> <ul style="list-style-type: none"> • Leadership seeks to produce organisational change through the development of vision, communication of vision and motivation of people to attain the vision • Strong leadership can disrupt order and efficiency • Strong leadership can create change that cannot be implemented 	<p><i>Outcomes</i></p> <ul style="list-style-type: none"> • Management seeks to produce predictability and order through operational goals, action plans, timetables and resources • Strong management can discourage risk-taking and innovation • Strong management can create bureaucracy without purpose
<p><i>Focus</i></p> <ul style="list-style-type: none"> • Leadership is a multidirectional influence relationship between a leader and a follower with the mutual purpose of accomplishing change 	<p><i>Focus</i></p> <ul style="list-style-type: none"> • Management is an authority relationship between a manager and subordinate

Source: Adapted from Kent, Crofts and Aziz (2001)

The contrasts reveal that while the two processes are distinct, they cannot effectively work without consideration of each other.

A UK study conducted by IDS (2003) argued that management and leadership roles are different and demand different competencies. They went so far as to argue that managers and leaders are usually quite different types of people. This latter notion is somewhat controversial. For the purposes of this book we will use the terms 'manager' and 'leader' interchangeably to indicate people who occupy positions in which they are expected to

perform leadership roles in addition to key management tasks. We consider management and leadership from both social influence and specialised role perspectives. Management and leadership can be performed solo or be shared and distributed. Both concepts include rational and emotional processes.

We recognise that a person can be a leader without being a manager, and vice versa. We do not, however, make the assumption that leaders and managers are different types of people. It is more helpful to focus on the notion that leading and managing are conceptually different processes. We follow the viewpoint which has emerged in contemporary debates that the success of a manager in modern organisations necessarily involves some elements of managing and leading. The integration of the two concepts is complex and currently remains unresolved. We also suggest that some of the distinctions made are both arbitrary and subjective and that there is no single ‘correct’ definition of either management or leadership.

It is therefore more appropriate to consider the competencies that are necessary to perform both managing and leading functions. The competent leader or manager has the ability to employ these competencies ‘situationally’. We think it appropriate to acknowledge the integrative nature of the two processes. Table 1.2 presents a synthesis of leading and managing competencies.

Table 1.2: Leadership and Management Competencies

Leadership Competencies	Management Competencies
<p><i>Visualising Greatness</i></p> <ul style="list-style-type: none"> • Thinks strategically • Demonstrates appropriate risk-taking and innovation • Sees, in his/her mind’s eye, what could be achieved • Emotes enthusiasm and inspiration <p><i>Creating and Empowering the ‘We’</i></p> <ul style="list-style-type: none"> • Builds teams • Develops others • Appropriately involves others in decision-making • Creates ownership/commitment in others • Delegates responsibility <p><i>Communicating for Meaning</i></p> <ul style="list-style-type: none"> • Communication is principle- and value-based • Communicates in facts, values, and symbols • Makes communicating for meaning a priority • Takes required time to explain why something is important <p><i>Managing Oneself</i></p> <ul style="list-style-type: none"> • Maintains an even temperament • Keeps personal energy high • Is self-confident • Maintains focus, persistence and constancy of purpose 	<p><i>Planning and Organising</i></p> <ul style="list-style-type: none"> • Determines long-term objectives and strategies • Decides how to use personnel and other resources <p><i>Informing</i></p> <ul style="list-style-type: none"> • Disseminates information about decisions and plans • Answers requests for information <p><i>Representing</i></p> <ul style="list-style-type: none"> • Tells others about the organisational unit and its accomplishments • Provides a fair accounting of subordinates’ ideas and proposals <p><i>Problem-Solving</i></p> <ul style="list-style-type: none"> • Identifies and analyses work-related problems to identify causes and solutions • Acts decisively to implement solutions and resolve problems or crises <p><i>Conflict Managing</i></p> <ul style="list-style-type: none"> • Encourages and facilitates the resolution of conflict • Encourages co-operation and teamwork

Leadership Competencies	Management Competencies
<p><i>Care and Recognition</i></p> <ul style="list-style-type: none"> • Publicises people's effort and successes • Focuses on the positive and recognises positive progress • Cares about others • Recognises and rewards people frequently and appropriately 	<p><i>Monitoring</i></p> <ul style="list-style-type: none"> • Gathers information about work activities and progress toward goals • Evaluates the performance of individuals and the work unit <p><i>Consulting and Delegation</i></p> <ul style="list-style-type: none"> • Encourages suggestions, inviting participation in decision-making • Allows others to have substantial responsibility and discretion in decisions <p><i>Networking</i></p> <ul style="list-style-type: none"> • Develops contacts with people who are a source of information and support • Maintains contacts through periodic interaction, visits, calls, etc. <p><i>Clarifying</i></p> <ul style="list-style-type: none"> • Assigns tasks, provides direction, etc. • Communicates job responsibilities, task objectives, deadlines and expectations

Sources: Adapted from Kent, Crotts and Aziz (2001); Yukl, Wall and Lepsinger (1990)

Distinguishing Management, Leader and Leadership Development

We find that the literature makes conceptual distinctions between management, leader and leadership development. Management development includes management education and training and places an emphasis on acquiring specific categories of knowledge, skills and abilities designed to enhance task performance in managerial roles. Day (2000) suggested that management development focuses on the application of existing and proven solutions to known problems. Management development is often associated with a deficit in management skill and competency. Mintzberg (2004) suggested that management development is a pull activity in which organisations draw on whatever they find appropriate to enhance the skills of their manager pool. Increasingly there is a move towards customisation, where organisations carry out management development as an in-house activity with specially selected context and development strategies.

Leader development focuses on the individual and the development of intrapersonal skills. Day (2000) suggested that leader development places emphasis on individual-based knowledge, skills and abilities. Leader development activities place emphasis on development of self-awareness, self-reflection and self-motivation. Zand (1997) suggested that these capabilities enable the leader to acquire personal power, enhance knowledge and trust. Leader development facilitates the leader to construct an independent identity and a unique understanding which facilitates differentiation from other leaders.

Leadership development is defined as focusing on enhancing the collective capacity of managers to engage effectively in leadership roles and practices. McCauley *et al.* (2004) distinguished between leadership roles and processes. Roles refer to both formal and informal roles, whereas processes enable groups of people to work together. Leadership development enhances the capacity for groups of managers to cope with unique and novel

problems. It places emphasis on the development of capacity in anticipation of future challenges. Day (2000) suggested that management development differs from leadership development in that it focuses on performance in formal roles and believes that the development processes are for position and organisation-specific activities.

On the other hand, leadership development focuses on social capital, i.e. the building of relationships to enhance organisational performance. Day suggested that leadership development activities should focus on the interaction between the leader and the social and organisational context. It is therefore a complex process with a strong focus on the development of relationships.

Day (2000) suggested that leadership development emphasises integration rather than differentiation (Table 1.3).

Table 1.3: Summary of Differences between Management, Leader and Leadership Development

Development Target			
Comparison Dimension	Management Development	Leader Development	Leadership Development
Capital Type	Human	Human	Social
Emphasis	Differentiation	Differentiation	Integration
Model	<i>Organisational</i> <ul style="list-style-type: none"> • Task specific • Organisation specific • Performance in management roles 	<i>Individual</i> <ul style="list-style-type: none"> • Personal power • Knowledge • Trust 	<i>Relational</i> <ul style="list-style-type: none"> • Mutual respect • Trust and networking • Commitments
Skills/ Competencies	<i>Time and Task Management</i> <ul style="list-style-type: none"> • Prioritising • Management of time • Delegation <i>Problem-solving</i> <ul style="list-style-type: none"> • Problem identification • Generation of alternatives • Evaluation of alternatives <i>Decision-making</i> <ul style="list-style-type: none"> • Selection of alternatives • Resourcing • Implementation of decision 	<i>Self-awareness</i> <ul style="list-style-type: none"> • Emotional awareness • Self-confidence • Self-image <i>Self-regulation</i> <ul style="list-style-type: none"> • Self-control • Trustworthiness • Personal responsibility • Adaptability <i>Self-motivation</i> <ul style="list-style-type: none"> • Initiative • Commitment • Optimism 	<i>Social Awareness</i> <ul style="list-style-type: none"> • Empathy • Service orientation • Political understanding <i>Social Skills</i> <ul style="list-style-type: none"> • Building relationships • Team orientation • Customer relationship management • Change champion • Conflict management
Strategies	Job assignments Hardship experiences In-house training programmes Management education programmes	360° feedback Coaching/mentoring Development centres Personality profiles	Mentoring Networking Action learning Team development

We present a selection of definitions of management, leader and leadership development in Table 1.4. These definitions illustrate how ill-defined and variously interpreted these concepts are. Historically, the definitions reflect a shift in our thinking about management and leadership processes and the emergence of human resource development (HRD). HRD has

broadened our thinking concerning the purposes of management, leader and leadership development and the strategies that are appropriate to achieve the objectives of each activity. Many definitions view managers as resources and consider management development to be driven by functional performance rationale. Few of the earlier definitions emphasised learning. They considered management, leader and leadership development activities as activities that are done with managers, rather than as activities that enable managers and leaders to generate meaning and understanding.

Table 1.4: Definitions of Management Leader and Leadership Development

The systematic improvement of managerial effectiveness within an organisation, assessed by its contribution to organisational effectiveness.	1971	Morris
A conscious and systematic decision-action process to control the development of managerial resources in the organisation for the achievement of organisational goals and strategies.	1975	Ashton, Easterby-Smith and Irvine
An attempt to improve managerial effectiveness through a planned and deliberate learning process ... that function which, from deep understanding of business goals and organisational requirements, undertakes the following: a) to forecast needs, skill mixes and profiles for many positions and levels; b) to design and recommend the professional, career and personal development programmes necessary to ensure competence; c) to move from the concept of 'management' to the concept of 'managing'.	1977	Training Services Agency (cited in Mumford 1997)
...the whole, complex process by which individuals learn, grow and improve their abilities to perform professional management tasks.	1986	Wezley and Baldwin
An attempt to improve managerial effectiveness through a planned and deliberate learning process.	1987	Mumford
I define 'management development' as the management of managerial careers in an organisation context. I define a 'managerial career' as the biography of a person's managerial work life (and I define 'managing' as the creation and maintenance of practical meaning in organised activity).	1988	Burgoyne
... those processes which engender enhancement of capabilities whilst leaving scope for discretion, creativity and indeterminacy.	1989	Storey
Management development can be viewed as a process (consisting of planned and unplanned activities and experience) that helps managers in an organisation to develop their experience, ideas, knowledge, skills, relationships and personal identity, so that they can contribute to the effective development of their organisation.	1990	Temporal

Management development is a term which embraces much more than simply education or training. It is that entire system of corporate activities with the espoused goal of improving the performance of the managerial stock in the context of organisational and environmental change.	1992	Lees
The complex process by which individuals learn to perform effectively in managerial roles.	1994	Baldwin and Padgett
We use the term 'management development' to describe management education, structured training and also more informal processes such as mentoring and self-development.	1997	Thomson <i>et al.</i>
An attempt to improve managerial effectiveness through a learning process.	1997	Mumford
A legitimately targeted and dynamic initiative that can enhance the management block of human capital skills.	1999	Lepak and Snell
The central challenge of management development is to control and manage the learning process of managers, focused on individual development and career success and/or reaching organisational goals.	2001	Van der Sluis-den Dikken and Hoesksema
Management development (MD) is defined as the system of personal practices by which an organisation tries to guarantee the timely availability of qualified and motivated employees for its key positions. The aim of MD is to have at its disposal the right type of manager and specialists at the right moment.	2001	Jansen and van der Velde
Management development is ... a multi-faceted process in which some aspects are easier to identify and measure than others.	2001	Thomson, May, Storey, Gray and Iles
The complex process by which individuals learn to perform effectively in managerial roles.	2001	Paauwe and Williams
The pursuit of order and predictability in organisational performance.	2002	Mabey
Facilitates the achievement of a fit between management resources and the long-term strategy of the company.	2003	Morley and Heraty
The definition used for management development ... includes both the personal and career development of an individual manager (i.e. attendance at formal development programmes, seminars, conferences and also informal learning through methods such as coaching and mentoring, etc). It also includes management education, which is achieved through formal undergraduate/postgraduate qualifications.	2004	O'Connor and Mangan

<p>... We may define appropriate management development as a dynamic capability or as a learned pattern of collective activity through which the organisation systematically generates and modifies its routine in the pursuit of encouraging and developing managers to balance efficiency and adaptiveness.</p>	<p>2005</p>	<p>Espedal</p>
---	-------------	----------------

A number of additional observations on these definitions include the following:

- They espouse a unitary conception of organisations. They consider the organisation to have clear goals and objectives that are understood and accepted by all stakeholders. This may not necessarily be a realistic assumption. Burgoyne and Jackson (1997) have argued that a pluralist rather than a unitary perspective may be more appropriate.
- Many definitions assume the existence of medium and large organisations that can offer the level of sophistication required to deliver formal management and leadership development.
- Definitions frequently fail to acknowledge the contribution of wider life experience and 'situated' learning and development. They fail to acknowledge the complex and uncertain nature of managerial work.
- Chia (1996) argues that the tendency to view organisations as objective, independent entities is misplaced as an idea. It is more appropriate to view organisations as constructed of shared experiences and language which are used to make sense of experience.

Management, leader and leadership development have different meanings from a number of other related concepts such as management training and education. Mintzberg (2004) referred to management education as a push activity undertaken by business schools. It focuses on the development of theories and concepts and educates students and potential managers outside the practice into which they are subsequently hired. These programmes are typically intense and disconnected from an organisational context. Some education programmes have elements of customisation, but they tend to draw elements from a generic pool of strategies and modules.

Management training is located between management education and development. It is increasingly a short-term and highly instrumental activity. Managers frequently attend management training because of a perceived need. It is often associated with a deficit in management skills and techniques. Although these programmes do contain elements of customisation, they may draw on materials produced by business schools. Management development was characterised by Mintzberg as a pull activity in which organisations draw on whatever they find appropriate to further the development of their manager pool. Increasingly there is a strong move towards customisation. This means that organisations carry out this activity in-house with specially selected context and development strategies.

Table 1.5: Distinctions Between Management Training, Management Education, Self-Development, Organisation Development and Career Development

	Management Training	Management Education	Self-Development	Organisation Development	Career Development
Purpose/ Focus	<ul style="list-style-type: none"> • Focuses on the development of technical knowledge and skills, and management techniques • Development of individuals to meet the current demands of their job 	<ul style="list-style-type: none"> • Focuses on the development of manager's/ leader's analytical skills and conceptual skills • Strong focus on business functions and a cross-disciplinary approach 	<ul style="list-style-type: none"> • Focuses on the development of an individual's personal goals and aspirations • Usually instigated by the individual • Might not be related to organisational needs 	<ul style="list-style-type: none"> • Focuses on the development of organisational structures, culture and systems • Strong focus on the enablement of organisational change 	<ul style="list-style-type: none"> • Can focus on individual or organisation or both • The development, implementation and monitoring of career goals and strategies
Processes/ Strategies	<ul style="list-style-type: none"> • Frequently formal and structured • Frequently done by trainers, consultants and various institutions • Strong focus on immediate transfer of skill to work situation • Usually programmes of short duration 	<ul style="list-style-type: none"> • Frequently highly structured programmes of longer duration • Managers are frequently educated outside the context they are subsequently hired into • High intensity programmes with some elements of customisation • Most common model is an MBA programme 	<ul style="list-style-type: none"> • Preparation of personal development plans • Strong emphasis on individual decision-making • Individual devises own programme of development activities • Strong emphasis on development of self-awareness 	<ul style="list-style-type: none"> • Action-based methodology • Strong emphasis on use of surveys and feedback processes • Team and organisation-wide interactions with experimentation • Use of a change agent internal or external to the organisation 	<ul style="list-style-type: none"> • Strong emphasis on the use of career instruments and psychometric assessment • Balancing of individual and organisational needs • Preparation of plans of varying lengths

	Management Training	Management Education	Self-Development	Organisation Development	Career Development
Prerequisite Conditions	<ul style="list-style-type: none"> • Opportunities to transfer skills and techniques to job situations • A job role with sufficient complexity and variety • Willingness by organisation to invest in training activities 	<ul style="list-style-type: none"> • Strong motivation and self-confidence to learn in an educational setting • Strong analytical ability to meet the demands of the programme 	<ul style="list-style-type: none"> • Self-motivation and self-confidence • Confidence to take initiatives designed to develop individual • Expertise and external support in careers 	<ul style="list-style-type: none"> • Knowledge of corporate objectives and culture • Creation of a sense of purpose and willingness to change • Commitment to a long-term process of development 	<ul style="list-style-type: none"> • Career clarity and strong self-awareness • Motivation to plan and identify future career options • Organisational support for career development

Self-development is most often conceptualised as a process driven and managed by the individual, while career development usually seeks to integrate individual and organisational perspectives and focuses on the short, medium and longer term. Organisational development tends to focus its activities on the team and organisational levels. The agenda is set primarily by organisational concerns.

All of these development activities share a number of common features: assessment, challenge and support. McCauley *et al.* (1998) argued that these three elements have two primary purposes: first, to motivate the individual to focus attention and effort, and second, to provide the raw material or resources for learning and development.

Assessment: The developmental activities outlined in Table 1.6 (see p. 15) all rely on rich data. Assessment at the individual and organisational level is important because it provides an understanding of the position of the individual or organisation at this point in time. It provides evidence of current effectiveness and performance levels and helps to clarify the learning opportunity or need. It enables the individual and/or organisation to benchmark future development. It also helps people to engage in self-assessment and reflection. There are many sources of data which enable the development of self-awareness, including: self, peers in the workplace, bosses, employees, family, customers, suppliers and experts. The process through which this data is collected and interpreted can vary in terms of formality. We will consider formal feedback processes in more detail in Chapter Eight.

Challenge: The development concepts are characterised by stretch or challenge. The research evidence is consistent in telling us that people like consistency. They become comfortable and this leads to habitual ways of thinking and acting. Development activities that involve degrees of challenge force people out of their comfort zones and create a situation where people begin to question their skills, frameworks and approaches.

Challenging assignments fulfil a number of important functions in the context of the development concepts defined in this chapter. They enable managers to develop new capacities that they will require if they are going to be successful in new roles. Managers are likely to feel challenged when they encounter situations that demand skills and abilities that exceed current capabilities. Challenges are likely to develop where there is ambiguity and

confusion. Some challenges require new values and thinking; they require the individual to change attitudes and respond in a different way. Leaders respond positively to difficult or stretch goals. They may work harder or smarter.

Support: If people do not receive support in the form of confirming messages, or there is insufficient encouragement to change, the potential of the developmental experience will be reduced. Support performs a number of important functions in the context of development. Each developmental concept contains some elements of support. Support helps managers to handle the struggle and pain of developing and enables them to remain positive and see themselves as capable of dealing with challenges. Support is a key factor in maintaining motivation to learn and to grow. There is evidence that support can contribute to increased self-efficacy in learning. Managers with higher self-efficacy are more likely to exert more effort to master challenges. Support serves as an important social cue and a key learning resource. Where managers talk to others about their learning, they have an opportunity to confirm and clarify the lessons that they have learned.

Why Should Organisations Invest in Management, Leader and Leadership Development?

This is a complex question and it raises important issues about why it is important to single out managers for special consideration. There is evidence that organisations invest considerably in the development of managers. This holds true for many different sectors and organisation types. Management and leadership development becomes more important as the organisation increases in size. In the Irish context, the evidence suggests that multinational companies are leaders in investment in management and leadership development. Organisations invest in management and leadership development for a multiplicity of reasons, including the need to support business strategy, the individual, business performance situation and succession planning. These purposes are often conflicting and make significant demands of management and leadership development activities.

Table 1.6: Key Development Agendas of Management, Leader and Leadership Development

Self-Awareness

- Understanding self or awareness of personal strengths and weaknesses.
- Understanding which situations bring out the best in a manager and which are more difficult to manage.
- Developing manager insight into why they have certain traits and preferences.
- Helping managers/leaders understand how they can be most effective in their roles.

Self-Confidence

- Frequently cited outcome of management, leader and leadership development interventions.
- It helps managers understand their abilities and enables clarification of what they have to offer the organisation.
- Increased self-confidence enables managers and leaders to perform effectively in difficult situations and deal with complex leadership challenges.

To Think Differently/Creatively

- Development enables managers and leaders to take a broader and more complex view of situations.
- Enhances the systems thinking ability of managers to deal with ambiguity and complexity.
- Enables managers to think 'outside the box', move beyond current assumptions and frameworks.
- Enhances capacity to contribute novel insights to address problems and opportunities.

To Develop Networking Skills

- Develops interpersonal and networking skills and helps leaders become more successful in influencing peers, building teams and networking with customers.
- Develops cultural sensitivity for leaders working with managers from different cultures.
- Enables managers to work effectively in a range of social settings and to be confident in a range of interpersonal situations.

To Enhance Learning Ability

- Enhances the learning capabilities of managers to develop new attitudes and ways of thinking.
- Develops motivation to learn and ability to develop skills in learning how to learn.
- Develops increased awareness of how the manager learns new perspectives in relation to learning.

Mabey and Salaman (1995) and Lees (1992) argued that development activities are designed to address four specific agendas: 1) functional performance, 2) political reinforcement, 3) compensation and 4) psychic defence. The functional performance perspective represents the more conventional viewpoint. It argues that management development is concerned with developing the knowledge, skill and attitudes of individual managers. It assumes that the relationship between investment in management development and individual performance is direct and uncomplicated. A political reinforcement purpose focuses on the reinforcement and propagation of skills and attitudes valued by senior managers. It makes an assumption that senior managers have made a correct diagnosis and selected the appropriate solution. A compensation purpose postulates that organisations can use management development as a reward strategy. It makes the assumption that managers will value management development and view it as motivational strategy. It also assumes that the provision of management will enhance the commitment of managers to the objectives of the organisation. A psychic defence purpose postulates that organisations provide management development as a safety valve for management anxieties. It assumes that managers experience anxieties concerning their ability to cope with jobs and careers. This typology of purposes clearly stretches the scope of management development beyond the conventional. Lees and Mabey's multiple purposes or frames are presented in Table 1.9.

The purpose of management and leadership development can vary over time. A study published by CIPD in 2002 argued that the purpose of management development is to deliver the current business model and to contribute to developing future business models. It focuses on the supply of current and future managerial capability. We will now explore in more detail some of the justifications that are made by individuals and organisations for investment in management, leader and leadership development.

Characteristics of Managers' and Leaders' Jobs

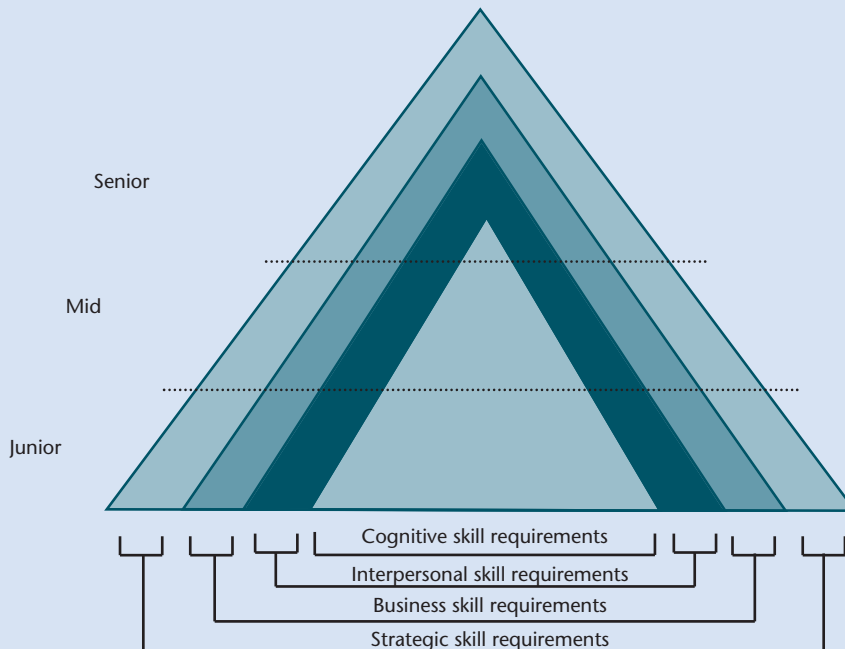
It is argued that managers and leaders carry a different and more complex burden than other employees. They are accountable and responsible for ensuring that employees have the knowledge and skills required to perform their jobs and ensure that human resources are appropriately integrated so the organisation can achieve its objectives. Managerial work is rather fragmented, ad hoc and challenging. Doyle (2000) argued that managers find themselves in a cycle of demands, expectations and challenges. Managerial effectiveness is

complex and difficult to explain. To understand a manager’s job fully, one first needs to understand the context in which the manager and the organisation operate. Specific aspects of context that are relevant include the strategic direction of the organisation, its technology, its human and financial resources and structure. This complexity raises important skill needs and demands for managers and suggests that the majority of managers may not initially have the profile of competencies necessary for the role. Investment in management and leadership development therefore represents an important strategy in enabling managers to cope with complexity and ambiguity.

EXHIBIT 1.1

The Leadership Skills Strataplex

Mumford, Campion and Morgeson argue that leadership skills are stratified by organisational level. They formulate the term ‘strataplex’ to capture the stratified and complex nature of leadership requirements, suggesting four triangles representing four categories of leadership skill requirements. Dotted lines indicate the skill requirements at different organisational levels. The area subsumed in each successive triangle suggests the amount of leadership skill that will be required at each job level.



They identify four categories of skills that are required in different proportions at different levels of management:

- **Cognitive skills:** Cognitive skills represent the foundation of leadership. These skills are defined in terms of basic cognitive capabilities and learning capacities and are integral to effective leadership. Typical skills include writing, active listening and reading comprehension. Another cognitive skill focuses on the capacity to adapt and learn. This skill is facilitated by active learning which enables leaders to work with new information and understand its implications. Active learning skills enable leaders to deal with dynamic and non-routine situations.

- **Interpersonal skills:** Interpersonal skills focus on the need for the leader to interact with and influence others. It is a complex cluster of skills. Examples include social perceptiveness, negotiation skills, persuasion skills and skills that enable the co-ordination of actions.
- **Business skills:** Business skills focus on skills related to specific functional areas. These skills provide the context in which managers and leaders carry out their work. Typical business skills include the management of physical resources, the management of human resources and functional resources and skills in operational analysis.
- **Strategic skills:** Strategic skills are conceptual in nature and enable leaders to understand complexity, deal with ambiguity and articulate a vision of the future. Strategic skills are a complex, difficult to develop category and include such skills as visioning, systems understanding, problem analysis, root cause analysis and the selection of solutions.

Mumford, Campion and Morgeson found that jobs at higher levels of the organisation have significantly greater overall leadership requirements. Cognitive and interpersonal skills are required to a greater degree than business and strategic skills. Business and strategic skills are in demand at high levels of management. Cognitive skills do not, however, diminish in importance at higher levels of leadership. The more fundamental skills serve as a foundation for the development of the more complex leadership skills. Leadership development initiatives should focus on the continual refinement of existing skills as well as the development of new skills.

Source: Mumford, Campion and Morgeson (2007)

Strategic Fit and Competitive Advantage

Management and leadership development has a role to play in facilitating the achievement of fit between managerial resources and the strategy of the organisation. Management and leadership development provides organisations with the potential to outperform competitors. However, in order to be effective it must be coupled with other human resources practices such as selection, performance management and talent management. There is debate about whether or not strategy influences management development, which represents the more conservative position, or whether management development can influence strategy.

Management and leadership development can be considered as initiatives designed to enhance the managerial skill pool and make it unique and valuable. Lepak and Snell (1999) suggested a human resource architecture that is premised on the idea that not all employees possess knowledge and skills of equal strategic importance. They advocate internalisation, which refers to the continuous internal development of employees who possess unique skills and capabilities that are highly valued by the organisation and that are not readily available externally. It is appropriate to have a strong internalisation focus on managers.

Management and leadership development has a lot to offer in terms of improving strategic decision-making. Garavan *et al.* (1999) noted that for an organisation to be successful, it is vital that people are integrated with the firm's strategy. This linkage enables the firm to achieve sustained competitive advantage. This point is also supported by Boxall and Purcell (2003), who argued that it is imperative in today's dynamic business environment that organisations achieve and preserve a successful fit between their strategy and their human resources. Strategic management and leadership development should be seen as an integrated part of a firm's competitive strategy; hence the fundamental objective is to ensure that as innovations and products are developed managers possess the necessary skills, abilities, knowledge and attitudes to implement the required strategy successfully. Hussey (1988) argued that in order for management development to contribute to the attainment of organisational objectives, it needs to focus on organisational needs, which implies that development needs have to be related to an understanding of the organisation's aims, strategy, the business environment and the desired firm culture.

Numerous commentators emphasise the need to link management and leadership development with strategy. Seibert *et al.* (1995) noted that the aim of aligning management development with strategy is to enable the organisation to anticipate the skills that will be essential to managers in the future and to develop them in advance of them being required. Winterton and Winterton (1997) suggested that effective alignment of management and leadership development with business strategy would result in significant financial improvements.

Traditional management and leadership development focused on individual effectiveness, whereas management and leadership development programmes linked to business strategy are focused on organisational effectiveness. The new approach is to 'analyse the organisation's ability to implement strategy and deal with business challenges' and then to implement development interventions to address those weaknesses; hence the organisation will gain a better understanding of its external environment. Aligning management development with strategy may have a positive effect for HRD practitioners. They may find it easier to justify management development budgets because 'the content of management development relates specifically to the organisation's vision, its operating strategies and its short-term objectives'.

Thomas and Ramaswamy (1996) stressed the importance of achieving a fit between managerial characteristics, management development and strategy. They suggested that if a correct fit is not achieved it will have negative performance implications for the organisation, because it will result in conflict between the competencies of the organisation and the decisions taken by managers.

Despite the evidence advocating a link between management and leadership development and strategy, many organisations continue to make the mistake of not integrating their management and leadership development activities with the overall strategic goals of the organisation. Miller (1991) noted that in the UK 'few companies have yet integrated it into their strategic planning process'. Winterton and Winterton (1996) noted that the percentage of UK business organisations in which management development was explicitly linked to organisational strategy increased from 34 per cent to 54 per cent in a six-year period. This led Storey *et al.* (1997) to declare that management and leadership development had gone through a revolution and 'the whole concept of management development has shifted'. However, it is still unclear whether 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'. In terms of aligning management and leadership development with strategy, it would seem appropriate to quote a party slogan: 'a lot done, more to do'.

The link between management and leadership development and business performance is consistently highlighted. As we shall explore in Chapter Four, it is often more talked about than proved. The arguments made for alignment are, however, convincing. Siebert and Hall (1995) argued that effective alignment will ensure that the organisation is able to anticipate the skills that are essential to ensure that it grows. Winterton and Winterton (1997) anticipated that effective alignment would result in both better business performance and higher profitability. Management, leader and leadership development activities have traditionally focused on individual effectiveness, whereas a strategic approach seeks to make explicit links between investment in development activities and organisational effectiveness. A strategic approach, which we consider in detail in Chapter Four, advocates that organisational effectiveness should start with an analysis of an organisation's ability to implement its strategy and deal with business challenges that lie ahead. Development activities that address both weaknesses and opportunities can then be designed and implemented.

Achieving fit between managerial characteristics and competencies and management and leadership development strategy is a particular challenge for organisations. Inappropriate

fit will probably have negative performance implications for the organisation. Development strategies need to take account of fit at the strategic level and at the level of the manager, or there may be conflicts between the competencies required by the organisation, the decisions taken by managers and the strategies selected to develop managers.

Even though there is evidence highlighting links between management and leadership development and strategy, many organisations invest in development activities that are not related to the strategic goals of the organisation. Scientific and rigorous evidence is difficult to find: the majority of the evidence is based on self-reports. Studies by Miller (1991), Winterton and Winterton (1996), Storey, Edwards and Sisson (1997) and Conway and Guest (2002) highlight that organisations in the UK and Ireland have made progressive improvements in making explicit links between development and business strategies.

Mabey and Finch-Lees (2008), among others, highlight that management and leadership development has experienced a revolution and it may now be fulfilling its role as a strategic tool to achieve growth and profitability. Whether management and leadership development is effective depends on how it is viewed. It may be viewed as part of a wider HRM package and it may be posited that there is a universal 'recipe' for achieving success. Alternatively, it may be considered from a contingent perspective, whereby management and leadership development is packaged to address the contingencies of the organisation.

Leadership Development and Organisation Socialisation

The attention paid to organisation socialisation has increased significantly in recent years. Organisation socialisation represents the learning process by which newcomers develop attitudes and behaviours that are necessary to function as a fully fledged member of the organisation (Ardts *et al.* 2001). Management, leader and leadership development can be used as a means of transmitting organisational culture and values. It can be used as a strategy to socialise managers into a particular corporate ethos and match their personal values with those of the organisation. One of the problems with hiring new managers is that they may not be well-prepared for their task and new identities as managers, but will still be expected to propagate the organisation's values. 'Attitudinal structuring' can greatly help an organisation to instill its values into managers and build a common identity.

It has been suggested that having such a purpose for management and leadership development helps to maintain order and minimise chaos in organisations. This is especially true for large organisations. Lees (1992), however, warned of the dangers associated with this approach. It may help managers to work better together as a team, but it may also discourage innovation and diversity of thinking. The challenge facing organisations in this respect is how to achieve an appropriate balance between instilling similar values and beliefs in managers and encouraging a certain degree of independent thinking.

A more contemporary approach, known as 'reverse socialisation', was advocated by Paaue and Williams (2001). The logic behind this approach is to recruit managers from outside the organisation rather than internally. Organisations may implement this strategy in order to change an existing culture and/or to introduce fresh thinking. However, most organisations rely on traditional forms of socialisation because they are often concerned about the risks inherent in reverse socialisation.

Leadership Development, Succession and Talent Management

Succession and talent management have become an increasingly important part of successful organisational growth. Organisations now pay attention to ensuring that they have the right people with the appropriate skills, attitudes and behaviours in the right place to meet organisational needs (Aitchison 2004). These processes frequently focus on the perceived need to grow managers internally (Garavan *et al.* 1999). In this case, the responsibility for

management, leader and leadership development rests firmly with managers themselves. It is largely up to managers to decide exactly what is necessary to facilitate self-development. Most of this development is assumed to happen in the real work context rather than through formal interventions. Organisations that place a strong emphasis on succession planning tend to have a 'make' rather than 'buy' approach to human resourcing. They believe that in the long run this will give them competitive advantage over rivals who focus on buying in talent.

Succession and talent management are considered crucial both from an external and an internal perspective. Viewed externally, it is an indicator of the degree to which leadership is focused on the future. The quality and outcomes of the process are important indicators of the future health of the organisation. Internally effective succession planning is a key driver of manager retention. Retaining talented managers is critical given the limited supply of such individuals in the labour market. Where organisations are explicit about the capabilities sought in future leaders, they create a 'cultural glue' that becomes part of the employer brand (Aitchison 2004). McMaster (2002) emphasised the need for such planning in an increasingly tight labour market. He asked: why recruit managers when you can identify, train and promote talent from within?

Table 1.7 provides a summary of the key arguments in favour of investment in management development.

Table 1.7: Reasons for Investment in Management, Leader and Leadership Development

- A strategy to engineer, create and shape organisation change and, in particular, to manage culture change
- A motivational tool to encourage managers to accept the need to change their attitudes and improve their knowledge and skills in order to perform more effectively
- A strategy to facilitate organisational renewal and to grow leadership and fulfil the organisation's mission
- A process to ensure organisational vigour, create a competitive edge, develop a flow of talent and enhance the lives of people in the organisation
- A means of obtaining the best fit between managers' and leaders' capabilities and attitudes and the organisation
- A tool in pursuit of quality, cost reduction and profitability through a focus on excellence
- A strategy to forge a common identity, philosophy and management style
- A system to draw input from the organisational environment in the form of human resource and organisational diagnoses and to create outputs in the form of developed managers
- A means to enable the organisation to anticipate the skills that will be essential to managers in the future, thereby assuring competitive advantage
- A strategy to enable the organisation to maintain order and minimise chaos

Sources: Adapted from Antonacopoulou (1999), Aitchison (2004), Lees (1992), Seibert *et al.* (1995), Garavan *et al.* (1999)

Perspectives on Management, Leader and Leadership Development

There are divergent views about the nature of management, leader and leadership development, and the literature contains a multiplicity of perspectives, conceptualisations and models. We focus here on explaining a number of frameworks that will help an understanding of competing interpretations of management, leader and leadership development.

The Beardwell and Holden Model

Beardwell, Holden and Clayton (2004) argue that management and leadership development can be understood from the perspectives of strategy, style and outcomes.

Management and Leadership Development as Strategy

After the publication of critical reports in both Ireland and the UK in the late 1980s and early 1990s, management and leadership development began to move up organisations' agendas. Organisations are now more willing to invest in leadership and to show more commitment to the development of managers. There is some debate about the extent to which management and leadership development can help organisations to achieve their strategic objectives. This debate has focused on inputs that management and leadership development can make, including the possibility of a significant contribution to talent and succession management.

The notion that managers and leaders contribute to competitive advantage is a strong theme within a strategy framework. Significant advantages can derive from the expertise of leaders and their adaptability, which allows organisations some degree of strategic flexibility. Management and leadership development can also enhance the commitment of managers and leaders to the organisation's business plans and goals.

Management and Leadership Development as Style

Management and leadership development can be analysed from a style perspective. This concerns the extent to which it is considered 'hard' or 'soft' in its intent. It is considered a 'hard' activity when, for example, it emphasises the utilisation of managers and is closely aligned with the strategic goals of the organisation. Some leadership development initiatives are used to ensure that the organisation is lean and efficient. In this case there is a strong emphasis on cost minimisation. This approach pays little attention to the priorities and perspectives of individual managers.

'Soft' approaches place more emphasis on the needs of individual managers. The organisation's agenda comprises trust, commitment and communication. Organisations that practise 'soft' approaches are more likely to implement development strategies that emphasise self-awareness, individual development planning and customised development interventions such as coaching and mentoring. In practice, 'soft' and 'hard' approaches sometimes overlap.

Ulrich, Younger and Brockbank (2008) proposed an alternative style typology. He focused on practitioner roles within HR and identified four roles the management development practitioner can adopt. The first involves the specialist taking on the role of 'employee champion'. This requires the management development specialist to articulate the perspective of manager and ensure that individual needs are addressed in management and leadership development provision. The practitioner essentially operates in a service and support capacity and it is unlikely that management and leadership development is perceived to add value. This role derives from the welfare tradition of HR.

Kirkbride (2003) argued that management and leadership development practitioners frequently adopt this role. It is manifested in the concern of specialists to receive positive participant feedback. They focus on the needs of individuals rather than the more general needs of the organisation. At the most basic level specialists spend time providing training and development that managers want or need. This style of management and leadership development often results in interventions that are safe and non-threatening.

Ulrich and Kirkbride identified a second style of administrative expertise, in which the specialist focuses on process efficiency, the needs of the organisation and supporting line managers. This style involves providing standardised management and leadership

development practices and services. Success is measured by the ability of specialists to deliver high-quality development at the lowest cost. This style directs specialists towards an operational role. They will spend a great deal of time on venue booking, sending out joining instructions and issuing pre-work. Their work will also include elements of training, record-keeping and data analysis. This style may be adopted by specialists starting out in their career or may be appropriate where management development is at an early stage in the life cycle of the company.

The third style posits that specialists act as ‘agents for change’. They are expected to add value to the organisation. The ‘agent for change’ role focuses on people rather than process and the specialist is expected to focus on people as a collective resource. This involves identifying opportunities for change and implementing change. Specialists will be expected to demonstrate skills in facilitation, coaching and championing change.

The fourth style requires specialists to act as a ‘strategic partner’, which will be discussed in more detail in Chapter Five. The essential requirement of this style is for specialists to become fully contributing members of the top management team. They are expected to bring expertise in management and leadership development to the top table and to demonstrate how management and leadership development can add value and supply the organisation with a source of competitive advantage. Kirkbride (2003) argued that specialists would need to spend a significant amount of their time interacting with key decision-makers in the organisation, although Staunton and Giles (2001) argued that in reality few specialists are able to operate at this level.

Management and Leadership Development as Outcome

An outcome approach focuses on the outcomes that derive from investment in management and leadership development. Management and leadership development has the potential to impact on individual and organisational performance but this is a contested issue, as we will explain in Chapter Four.

The work of Huselid (1995) and West and Patterson (1997) suggested that management and leadership development was in isolation unlikely to result in significant outcomes for organisations. A bundle of HR practices that includes management and leadership development is likely to be more effective.

The measurement of the impact of management and leadership development on organisational performance is problematic. There is a range of opinions about the measures that should be used to evaluate its impact and the relative importance of management and leadership development when it is combined with other HR practices. A major question concerns the causal relationship between investment in management and leadership development and organisational performance. Does investment in management and leadership development lead to better individual and organisational performance or is it the case that the best-performing organisations are more likely to invest in management and leadership development?

Talbot’s Typology of Management and Leadership Development

Talbot (1997) utilised the conceptual framework proposed by Kolb (1984) to suggest four approaches to management development: abstract conceptualisation (the traditional model); active experimentation (the project and consultancy model); concrete experience (the competence model); and reflection (reflective practitioner personal development model).

The Traditional Model (Abstract Conceptualisation)

An abstract conceptualisation approach focuses on a model of management as an organisational function rather than as a function of individual managers, and places

considerable emphasis on formal management education as the primary approach to management and leadership development. The approach assumes that management and leadership can be taught in classroom settings, and embraces knowledge and skills in areas such as strategy, functional management and management skills. Managers are expected to know something about all aspects of management and to learn analytical skills, which are best developed through academic instruction. Development depends on external experts who have key knowledge and expertise, and the knowledge of theory and cognitive skills are core attributes of effective management.

The Action Learning, Project and Consultancy-Based Model (Active Experimentation)

An active experimentation approach takes the view that the best opportunities for learning occur in the workplace. Projects, which may be based on familiar or unfamiliar tasks and settings, are central to this approach. The action learning and project consultancy approach uses other strategies such as consultancy assignments and self-managed learning initiatives. The emphasis in all these strategies is on active experimentation, and peer learning, self-knowledge and self-assessment, rather than expert knowledge or opinion, are highlighted. It emphasises questioning skills and the ability to challenge existing practices, develop new practices and deal with new problems in context-specific ways.

The Competence Approach (Concrete Experience)

We discuss the competence and competency approach in more detail in Chapter Six. This approach rests on a number of important assumptions:

- The competencies that make up managing are relatively independent of one another.
- It is possible to identify key outputs from the utilisation of managerial competencies.
- The possession of managerial competence is an important factor in ensuring increased organisational effectiveness.
- Managerial competence represents a stabilising influence in organisations.
- The demonstration of a competence is not impacted by a manager's perceptions of context. Competence operates independent of context.
- The demonstration of a competence by a manager operates independently of competencies demonstrated by peers, direct reports and superiors.
- Managerial competences can be acquired and demonstrated across a wide range of situations.

A competence approach values practice and evidence of practice and considers management theory of little value. It is a pragmatic approach and shows concern for cognitive development and intellectualism.

The Reflective Practicum and Professional Development Model (Reflection)

A reflective practice approach emphasises development by means of guided and supervised practice, a concept that refers to a setting designed for the task of learning a practice. The characteristics of the setting approximate to the practice world. This approach emphasises professional and tacit knowledge acquired through a hierarchical, guided mentoring system as the key to development. It has a strong retrospective emphasis and differs from an action approach, which is more prospective and peer-group focused. It differs from the competence approach by virtue of its strong emphasis on reflection and development. Unlike the traditional approach, it emphasises tacit and uncoded knowledge rather than the coded and conscious knowledge transmitted in an academic setting.

Table 1.8: Talbot’s Model of Management and Leadership Development

Aspect of Kolb’s Learning Cycle	Description	View of Leadership Development	Advantages	Disadvantages
Abstract Conceptualisation	<ul style="list-style-type: none"> • Traditional management education and MBAs. • Focuses on theory and educating the manager on a broad range of topics. • Excellent for building manager’s knowledge and broadening perceptions. • Focuses more on individual personal development than organisational performance. 	<ul style="list-style-type: none"> • Considers education the core and foundation phase. 	<ul style="list-style-type: none"> • Educated managers are better able to network and solve problems more effectively. • Broadens the perspectives of managers. 	<ul style="list-style-type: none"> • Focuses too much on theory as opposed to practice. • Contains too much analysis and prescription as opposed to learning how the organisation really works. • Can be very costly to implement where the organisation has large pool of managers.
Concrete Experience	<ul style="list-style-type: none"> • Competence approach focuses on the experience of the manager, e.g. through job rotation/ temporary placement. • Learning and assessment is central to manager’s performance. • Management goals of the organisation considered more important than personal development of the individual. 	<ul style="list-style-type: none"> • Considers LD to focus too much on theory and not enough on what managers actually work at. • Believes formal LD is ancillary to concrete experience. 	<ul style="list-style-type: none"> • Allows for clear objectives to be set and worked towards. • Learning can be assessed through clear objectives 	<ul style="list-style-type: none"> • Favours the practical manager above the intellectual manager. • Competency approach can be inappropriate if the analysis undertaken is incorrect or faulty.

Aspect of Kolb's Learning Cycle	Description	View of Management Development	Advantages	Disadvantages
Active Experimentation	<ul style="list-style-type: none"> • Learning within the organisation usually while at work. • Includes action learning. • Rejects traditional leadership development and the role of formal knowledge and opinion. • Objectives of the organisation considered more important than personal development of the individual. 	<ul style="list-style-type: none"> • Formal leadership development secondary to actual experience. • Development on the job provides the best opportunities to develop managers. 	<ul style="list-style-type: none"> • Facilitates problem-solving through self-questioning and decision-making. • Real learning takes place in the role. 	<ul style="list-style-type: none"> • Ignores the abstract conceptualisation part of Kolb's cycle which would leave many managers lacking in formal knowledge.
Reflective Observation	<ul style="list-style-type: none"> • Learning through reflection on a manager's own work. • Advocates that the manager reflects critically on practice and learns from this. • It focuses on the personal development of the manager. 	<ul style="list-style-type: none"> • Formal leadership development provides a foundation for reflection. 	<ul style="list-style-type: none"> • Encourages the manager's use of tacit knowledge. • Enhances the impact of each of the other parts of the cycle. • Inexpensive for the organisation as managers learn by doing. 	<ul style="list-style-type: none"> • For effective use of this approach, close supervision of the learning manager is required. • Reflection on practice is a powerful concept, but very difficult for the busy manager to find the time to do.

Source: Adapted from Talbot (1997)

The Mabey Model

Mabey (2003) suggested that human resource development and, by extension, management and leadership development, can be framed in a number of ways. He draws on the work of Bolman and Deal (1997) and identifies four possible frames: structural, human resource, political and symbolic. Mabey made a very important contribution to our understanding of the variety of lenses through which it is possible to analyse management and leadership development. Table 1.9 below provides a summary of these concepts when applied to management and leadership development.

The Structural Frame

This represents a dominant discourse in the current management and leadership development literature. Management and leadership development is primarily about enhancing the capability of managers in order to achieve the strategic objectives of the organisation.

Management and leadership development is designed to address gaps in current performance and it is likely that most of the provision will be structured and formal. We will explore the notion of fit in greater detail in Chapter Four. However, it is sufficient to say at this point that a key role for management and leadership development is to ensure that the organisation's structure and leadership capabilities are aligned to the external environment. Many organisations work within a structural frame but, as we will see later in this chapter, it is possible to question the underlying rationality of this frame or consider it to be unreliable.

The Human Resource Frame

The focus of the human resource frame is on understanding the exchange between what is required by the organisation and what the manager has to offer. In the management and leadership development context, the emphasis is on the needs and priorities of the individual manager. Development is likely to be less structured and more customised. It may include activities such as a consultancy project, a stretch assignment or mentoring/coaching support. It is very much influenced by the ideas of Rogers (1986), who advocated freedom of choice in respect of what is learned and how it is learned. The task of the organisation is to develop conditions that are conducive to individual learning. This frame finds expression in concepts such as self-directed development.

However, the reality for many organisations is that leadership development provision has an organisational focus, with the result that organisations ultimately control what managers learn. Mabey (2003) criticised a human resource frame for its lack of attention to the political dimensions of management and leadership development.

Table 1.9: A Frames Approach to Management and Leadership Development

	Structural Frame	HR Frame	Political Frame	Symbolic Frame
Derived From	<ul style="list-style-type: none"> • Intellectual capital theory • Open-systems theory • Contingency theory 	<ul style="list-style-type: none"> • Social, psychological theories which inform learning theory • Resource-based view of the organisation 	<ul style="list-style-type: none"> • Resource-dependent theory • Critical management theory • Application of process theory 	<ul style="list-style-type: none"> • Institutional theory • Symbolic interactionism
Central Proposition	<ul style="list-style-type: none"> • Focus on organisation • LC serves to maximise employee capabilities to achieve organisational objectives (means-end calculation) • Performance imperative superior to all others 	<ul style="list-style-type: none"> • Focus on individual • Individualistic aspects of learning highlighted through acknowledgment of learner autonomy and intrinsic motivation • LD as a vehicle for mutual exchange between what the organisation needs and what the individual has to offer 	<ul style="list-style-type: none"> • Focus on power and politics • LD assumed value-free and desirable for all stakeholders, but divergence of interests inherent between stakeholders in organisations • Argues that all organisational activities and processes reflect aims of dominant coalitions of interests 	<ul style="list-style-type: none"> • Focus on reinforcing organisational values • Organisational culture consists of values, beliefs and rituals • Organisational processes, including decision-making, are cultural in nature • LD can be utilised as a self-reinforcing cultural mechanism

	Structural Frame	HR Frame	Political Frame	Symbolic Frame
Assumptions of Framework	<ul style="list-style-type: none"> Organisations are dynamic, goal-directed, bounded and rational entities People exist to 'serve' the organisation and are compliant Needs and interests of organisation and employee are compatible Employees have the capability and willingness to learn LD goal is to achieve equilibrium 	<ul style="list-style-type: none"> Organisations provide continuous learning opportunities for individuals to develop themselves through the facilitation of a learning culture Utilisation of opportunities is contingent on the individual employee's motivation to learn. LD goal is to tap talents of employees for the greater good of the organisation 	<ul style="list-style-type: none"> Pursuit of order and predictability in organisational performance is influenced by power distribution within the organisation Performance imperative replaced by the elevation of partisan rights Politicking can occur at multiple levels and within or through any LD activity whether formal, informal or non-formal 	<ul style="list-style-type: none"> LD goal is to enable the organisation to increase its legitimacy as perceived by its internal and external stakeholders
Purposes and Type of LD	<ul style="list-style-type: none"> To address the internal performance gap; to achieve organisational 'fit' with external environment Conformist in nature and supports dominant organisational ideology Structured and formal interventions to facilitate continuous learning, orchestrated by the organisation 	<ul style="list-style-type: none"> To maintain employee motivation and satisfaction Embedded learning within daily routines serves as a resource mobility barrier which is difficult to imitate Although individual goals predominate, LD is conformist in nature and supports dominant organisational ideology LD interventions can be formal and structured Acknowledges that learning can also occur through informal and incidental learning strategies Idea of continuous learning process therefore dominates 	<ul style="list-style-type: none"> Primarily viewed by dominant coalitions as ways to achieve increased power, influence, and/or legitimacy through the acquisition of unique or novel knowledge and skills Bounded emancipation challenges dominant organisational ideology in favour of those who wield sufficient power 	<ul style="list-style-type: none"> To communicate cultural messages about what is important, thereby creating organisational solidarity and cohesion Conformist in nature and supports dominant organisational ideology Use of symbols and stories that have currency in the organisation Diffused through formal and informal learning experiences Cultural change programmes focus on this frame.

	Structural Frame	HR Frame	Political Frame	Symbolic Frame
Implications for LD Practitioners	<ul style="list-style-type: none"> • Accurate identification of knowledge and skills gaps which need to be addressed of paramount importance • How to motivate and develop employees to retain their expertise? 	<ul style="list-style-type: none"> • Accurate identification of ways in which employees and organisations acquire new knowledge, skills and behaviours to reinforce the learning capacity of the organisation 	<ul style="list-style-type: none"> • An understanding of how socially divisive unequal power relations in an organisation can be reinforced through LD is imperative (for example, specific target populations) 	<ul style="list-style-type: none"> • Primary consideration is how to construct 'reality' through utilisation of stories and symbols in tandem with content of initiative to reduce diverse interpretations and reinforce desired organisational message
Evaluation Strategy	<ul style="list-style-type: none"> • Analyse impact on the way people perform • Assess LD outcomes in terms of increased productivity, efficiency and profitability for the organisation 	<ul style="list-style-type: none"> • Analyse impact on ongoing organisational processes • Assess LD outcomes in terms of increased employee creativity and ingenuity, which optimise organisational learning capacity 	<ul style="list-style-type: none"> • Analyse who has achieved dominance and empowerment through LD activities • Assess degree to which multilevel synergies have been achieved within the organisation – are these constructive or destructive? 	<ul style="list-style-type: none"> • Assess the degree to which cultural norms have become embedded throughout the organisation
Critique	<ul style="list-style-type: none"> • Most identifiable framework, although criticised as unrealistic because: • Unitarist assumption fails to acknowledge multiplicity of interests and politicking which exists within organisations • This depends on ability of LD professionals to translate business priorities into appropriate LD goals or to analyse external environmental imperatives. 	<ul style="list-style-type: none"> • Provides insight into goals and methods of learning • Assumes individual learning serves exclusively organisational purposes which means that the organisation remains in control of the learning process • Little attention paid to competing interests of stakeholders or political dimensions of training 	<ul style="list-style-type: none"> • Pluralist assumption acknowledges differing and competing stakeholder interests in organisations • Questions the LD performance imperative • Little empirical evidence to systematically track multiple levers of power and influence 	<ul style="list-style-type: none"> • Provides explanation through the use of cultural norms as to why certain LD interventions encounter approval or irrational resistance • Little empirical evidence available which utilises the framework as a basis for analysis of LD

The Political Frame

The political frame represents a less frequently discussed perspective in the management and leadership development literature. Mabey considered it a useful perspective from which to understand and explain why and how management and leadership development happens. It suggests that organisations, political arenas and coalitions of interest form around particular beliefs and perceptions of reality. Discussions concerning management and leadership development are based on power. Management and leadership development is provided, therefore, to meet the needs and interests of certain groups. The frame highlights that many organisational processes are irrational, ambiguous and uncertain. It questions the performance imperative of the structural frame. It recognises that motivation for management development is derived from a multiplicity of forces and processes.

The Symbolic Frame

The symbolic frame also challenges the rationality of organisational decision-making. It is less preoccupied with the performance imperatives, focusing instead on the meanings that are attached to management and leadership development. It suggests that management and leadership development is a social construction that is as much about meaning as it is about content, and represents a strategy through which the organisation can communicate the culture of the organisation. Mabey also viewed management and leadership development as a strategy for conferring status and initiating managers into the elite. It is arguable that many of the ideas underpinning talent-management processes fit within a symbolic frame.

Turnbull (2002) highlighted that the symbolic frame is infrequently used to understand management and leadership development processes.

Burgoyne and Reynolds' Arena Thesis

Burgoyne and Reynolds (1997) argued that a majority of management and leadership development models advocate a unitary perspective. This, they suggested, oversimplifies the process of management and leadership development in organisations. They saw too much preoccupation with behavioural issues and insufficient focus on the cognitive and symbolic dimension of management and leadership development. There is too much focus on the ideal and not enough on the reality.

The arena thesis is pluralist, and conceptualises management and leadership development as having conflicting purposes, perspectives and values. The concept of an arena has six key characteristics:

- It represents a place where differences between stakeholders are discussed, fought over, contested, reconciled and reconfigured.
- The arena is visible in that it is possible for other parties to become aware of the key differences and why they occur.
- The arena is accessible in the sense that observers can become participants and they achieve awareness of the issues that they want to be involved in.
- Individuals take on 'roles' and 'scripts' which influence how conflict is manifested and resolved. These roles and scripts are an important feature of organisations.
- The staging of these activities, having regard to both location and time, can have an important influence on how they are resolved.
- It is possible to manage the arena. This can be achieved through ensuring that differences are aired and that opportunities for compromise and synergy are not lost.

An arena thesis has perhaps its most significant contribution to make in helping us understand why management and leadership development programmes are supported or resisted. It is likely that various stakeholders may coalesce around a particular issue or group of issues and that elements of both convergence and divergence will always exist. It is possible for different stakeholders to support a particular management and leadership development initiative for entirely different reasons.

A central concept of an arena thesis is that of legitimacy, which Burgoyne and Reynolds defined as a 'set of constitutive beliefs that are the primary driver for institutional processes'. It is viewed as a mechanism to control actors and constrain conflicts between different stakeholders. Table 1.10 suggests a list of reasons why different stakeholders might support or block a management and leadership development initiative.

Table 1.10: Organisational Stakeholders' Rationale for Supporting or Blocking a Management and Leadership Development Intervention

Stakeholder	Rationale for Supporting	Rationale for Blocking
Managers or Potential Managers as Participants	<ul style="list-style-type: none"> • Opportunity for personal development • Improved employability and marketability • Opportunity to get away from the workplace • Recognition of importance of individual to the organisation • Potential springboard for promotion 	<ul style="list-style-type: none"> • Have too much work and too little time for development • Perceive development as a waste of time or energy • Fear learning and lack interest in learning • Have little interest in career advancement
Direct Reports	<ul style="list-style-type: none"> • Expectation of better-quality supervision and leadership • Recognition that the team is important to organisational effectiveness • Strong personal commitment to learning 	<ul style="list-style-type: none"> • Resist organisational change • Do not value leadership or supervision • Perceive learning and development as a waste of time and money • Perceive that the prescribed development initiative is inappropriate
Peers	<ul style="list-style-type: none"> • Perceive the intervention as a possible means of participating in development • Intervention may address team performance problems • Believe in the value of learning and development 	<ul style="list-style-type: none"> • Believe that intervention will result in an excessive workload due to manager absence • Perceive that the peer manager is preferred for advancement • In order to prevent a peer from participating in the development activity • View development as a waste of time and money • Believe that development should focus on the team rather than the individual

Stakeholder	Rationale for Supporting	Rationale for Blocking
Line Managers	<ul style="list-style-type: none"> • Want a quick solution to performance problems • View learning and development as an incentive for the team • View learning and development as a measure of commitment of organisation to the employees • Concerned with the bench strength of the management team 	<ul style="list-style-type: none"> • View learning and development as a waste of time and money • Production or target takes priority over development • Have little interest in learning and development • Believe that the best learning is day-to-day experience • Consider the intervention to be inappropriate
Top Team or Senior Managers	<ul style="list-style-type: none"> • View management and leadership development as a mechanism to convey particular messages to managers • Committed to developing the leadership bench strength of the organisation • Believe in the potential for improved financial performance • Wish to demonstrate action to other stakeholders 	<ul style="list-style-type: none"> • Do not see a link with the bottom line • View the solution as inappropriate • Has limited interest in management and leadership development • Intervention not consistent with the views of the top team • Too much focus on cost-efficiency rather than effectiveness • Unwilling to be accountable for management and leadership development
The Board	<ul style="list-style-type: none"> • Wishes the company to be viewed as an employer of choice • Perceives intervention as concrete means of demonstrating support for managers • Communicates a strong message to the organisation • Strong concern with succession and talent process • Concerned with improved financial performance 	<ul style="list-style-type: none"> • Views development as an overhead • Does not fully understand the concepts of management and leadership development • Views management and leadership development as disruptive to organisation • Not concerned with image in the labour market
External Consultants	<ul style="list-style-type: none"> • Major financial opportunity • Helps to build customer base and reputation • Potential for further opportunities within the organisation 	<ul style="list-style-type: none"> • Inadequate financial opportunity • Client is not sufficiently prestigious • Limited further business opportunities • Future of the programme could undermine credibility of consultant

A Piecemeal Approach

Commentators are critical of the piecemeal and fragmented way in which many organisations approach management and leadership development. Burgoyne (1988) and Mole (1996), for example, criticised organisations for having an off-the-shelf approach to delivery of management development. A piecemeal approach represents an easy solution to a particular problem, rather than a commitment to a long-term and embedded strategy.

A piecemeal approach is typically found in organisations that have resource constraints, lack awareness of the potential of management and leadership development and focus on once-off development initiatives. This fragmented or discrete approach to management

development is commonplace in SMIs in Ireland. Commentators argue that such an approach is a significant contributor to the failure of management development to meet expectations. Mumford and Gold (2004) considered this approach to be a waste of investment, time and effort. It may also lead to a situation where the commitment of managers to development can be undermined.

Piecemeal approaches to management and leadership development have a number of common characteristics:

- The lack of a management and leadership development infrastructure. It is not linked to business strategy and there is a lack of overall direction or philosophy underpinning its provision. Where management and leadership development does exist, it is not strategically integrated.
- It will focus almost exclusively on the needs of the organisation. It is unlikely to address the needs and learning aspirations of individuals and groups.
- Development provision is largely confined to a narrow range of strategies, i.e. formal off-the-shelf internal or external programmes which are generic in nature.
- Espoused support may exist for management and leadership development. This can arise out of the belief that it is a good thing to be doing. It may occur irrespective of organisational needs.
- Management and leadership development initiatives are more likely to be wasted because they are more likely to be used as solutions to the wrong problem.
- There is a lack of common vision among those responsible for management development. Some managers may view management and leadership development as central to their job, whereas others may see it as peripheral or even, perhaps, a nuisance.
- There is a lack of systematic evaluation, with the result that future initiatives also lack direction and clearly defined objectives.

It can be difficult for organisations to break out of piecemeal approaches. Molander and Winterton (1994) suggested that it is necessary to focus on the organisation rather than simply getting the attention of individual managers. It will usually require an organisation-wide assessment of the learning culture and the identification of elements which need to be changed.

An Open Systems Approach

A systems perspective provides a framework for understanding and managing the interactions and interdependencies that are characteristic of organisations. Doyle (1995; 1997) was a major proponent of the systems perspective. He argued that it is possible to view management and leadership development as a sub-system that operates within a wider organisational system. Management and leadership development has a continuous and dynamic interaction with a variety of internal and external variables.

Figure 1.1 on page 34 shows how a systems perspective can be used to understand the operation of management and leadership development in organisations. It illustrates that doubts about the value of investing in management and leadership development may be negatively reinforced by questions concerning the credibility of the management and leadership development specialist. These perceptions are further reinforced by the perceived incapacity of the specialist to think strategically and work within the politics of the organisation.

A central premise of an open systems perspective is that management and leadership development consists of both systems and process elements. It is composed of identifiable components that interact with one another. Inputs are transformed by various processes which, in turn, lead to outcomes such as increased individual and organisational effectiveness.

- It helps to reveal how the organisational context impacts on the management and leadership development process. It is likely to lead to a more rigorous and detailed assessment of the impact of particular development initiatives.
- It has the potential to help practitioners to develop a set of strategies, policies and plans that are customised to the organisational context and reflect the core values and philosophy of the organisation.
- It reinforces the notion that if you develop managers you are also developing the organisation. An open-systems approach makes more explicit the ways in which management development contributes to overall organisational and individual effectiveness.
- It reinforces the notion that management development initiatives need to be adaptable, flexible, proactive and responsive in the face of organisational change and turbulence.

A Relational Approach

Doyle (2000) suggested that organisations are evolving a more contingent perspective on management and leadership development, which advocates the shaping of management and leadership development by strategic concerns. He contended that organisations have focused too much on process issues at the expense of achieving a more sophisticated understanding of the factors impinging on management and leadership development. Table 1.11 summarises the key characteristics of a relational approach.

Table 1.11 Key Characteristics of the Relational Approach

- Pluralist arena. Diversity acknowledged and managed. Learning and development become more situated and contextually based.
- Recognition of the messy and complex nature of organisational change. Social, political and emotional issues are significant and have to be addressed. The focus is on developing wider change expertise and the ability to cope in rapidly transforming contexts.
- Control is devolved to different stakeholders. Developers must build political and social relationships. Greater awareness and skill in 'managing' as well as 'doing' development.
- Clearer delineation of roles and expectations agreed amongst stakeholders. Ownership is dispersed. LD professionals act as internal consultants. Tighter control over stakeholder responsibilities and performance.
- Criteria and measurement broadened to include a heightened awareness of the significance of softer dimensions. Success judged in wider context of 'managing' the organisational system.

A relational model suggests important implications for management and leadership development practice:

- It advocates the need for a more collaborative and shared approach. This approach has the capacity to capture a diversity of inputs and exchanges that occur between key stakeholders. Burgoyne and Jackson (1997) highlighted significant variation in interpretation of development goals and outcomes. Various stakeholders may also differ on the relative importance of different competencies. A relational approach has the effect of politicising the management and leadership development process. It suggests that the leadership development specialist needs to develop the skills to engage successfully with the politics of the organisation.
- It suggests a need to manage the diversity of stakeholder interests. The specialist may have to challenge current views and be more conceptual and systemic in his/her analysis.

- It requires that specialists ask challenging questions about the level of commitment to development and how that commitment can be secured.
- The specialist needs to adopt management and leadership strategies that are pragmatic. Walton (1999) suggested that the specialist may have to use ‘nudging strategies’ which involve searching for points of leverage or entry. It may involve the specialist making attempts to overcome negative perceptions and barriers. Some commentators have described this strategy as customer-oriented. It involves ensuring that the outcomes of management and leadership development are aimed at delivering meaningful and attractive benefits to stakeholders. The articulation of benefits is, however, insufficient. It also requires political activity to gain support for development initiatives.
 - Leadership development specialists must understand the unique context within which they operate. The analysis of context may reveal that it is a waste of time to invest in development due to the negative environment which already exists.
 - A relational perspective brings power to the forefront. The specialist will only be successful where he/she can obtain and deploy sufficient power and combine these actions designed to build credibility and confidence to challenge how things are done in the organisation.

EXHIBIT 1.2

Focus on Research: Are Leaders Portable?

When a company hires a CEO from General Electric – widely considered in the USA to be a training ground for top-notch executives – the hiring company’s stocks spike instantly. But not all GE alumni deliver on their promise; context is a crucial factor. When a company hires a new executive, it gets a bundle of abilities and experience. Some general management techniques transfer well to other environments, but those specific to a given company don’t transfer as well. Executives from GE can, however, be relied upon to have first-rate general management skills, which accounts for the market reaction.

The different types of skills and experience which may shape performance in one job and influence performance in another include: *strategic human capital*, the individual’s expertise in cutting growth, or cyclical markets; *industry human capital*, meaning technical and regulatory knowledge unique to an industry; and *relationship human capital*, the extent to which an individual manager’s effectiveness can be attributed to his experience working with colleagues or as part of a team. The advantages conferred by these skills are likely to transfer between similar environments.

But even gifted executives with superlative management training don’t make the best CEOs. Companies need to look beyond the corporate pedigree, however fabled. The types of skills and likely portability are better indicators of a successful match. Groysberg, McLean and Nohria (2006) highlight five different types of human capital: general management, strategic, industry relationship and company specific. General management human capital consists of the management skills to utilise a range of resources. It includes leadership and decision-making capabilities in addition to functional expertise. General management human capital is portable; however, managers are expected to develop these skills when they take on a new role or job.

Strategic human capital is the most portable of management skills. But the skills required to control costs to maintain a competitive edge in a price war are not the same as those needed to improve the top line in a growing business or balance investment against cashflow to survive in a cyclical business. These can be of no business advantage if the skills required by the company don’t match the skills of the manager. John Trani is a case in point. When he left GE for Stanley Works after a long period of growth, the required skill set was different and Trani was unable to deliver the cost-cutting measures the company needed. However, a perfect match was made when Carolos Ghosn moved from

Michelin; having turned around their fortunes in Brazil and overseen the Goodrisk–Uniroyal acquisition, he became CEO at Nissan, reviving the nearly bankrupt firm by knowing exactly where and when to cut costs.

Industry human capital is another management skill. It consists of technical, regulatory and customer knowledge unique to an industry. Relevant industry experience has a positive impact on performance in a new job, but these skills don't necessarily transfer between industries. The most successful stories are from those who moved between companies in the same industry. For example, Pepsi's managers often go to other food or beverage companies, while executives from IBM or Motorola usually stay in hi-tech industries. Industry expertise includes business relationships with people like suppliers, which can offer advantage. It also includes familiarity with a customer set. When AMIS hired Christine King in 2001 they cited her relationship with customers as a great asset. Transferring between industries is a large risk, entailing a steep learning curve, a factor companies in crisis should bear in mind during the hiring process.

Relationship human capital, the social power developed over the course of a career, including ties to other executives, can prove a valuable asset. Key relationships often come from company experience and research showed that GE executives fared better when they were followed by other GE alumni. There are numerous examples of new executives populating teams with former colleagues. But an executive's social capital can help in other cases, for example in the sharing of best practice between GE and Allied Signal.

Company-specific human capital skills include tacit knowledge about a company that is generally thought to be non-portable. It includes knowledge about routines, procedures, corporate culture and informal structures. But CEOs may have an advantage over other employees by having the authority to modify the existing management system to their satisfaction. When John Trani was CEO at Stanley Works, he could have implemented some of GE's celebrated management techniques. This worked well for Stephen Bennett at Intuit who developed a leadership course, overhauled performance evaluation and worked for greater clarity in the company budgets.

When star executives leave companies, they are leaving an environment in which they are effective. The more closely the new environment resembles the old, the greater chance of success in the new position. This should be a factor considered by managers who leave jobs, as certain company-specific skills will be irrelevant in a new position. High-profile managers come at a premium, so as well as looking at corporate pedigree, hiring companies would be well advised to assess fully the portfolio of transferable human capital possessed by each CEO candidate. If the fit is less than perfect, some adjustment time will need to be allowed and some changes may be necessary to accommodate the newcomer, whether in leadership or in business systems. With careful attention to detail, a hiring company can do well wherever it sources its talent.

Source: Groysberg, McLean and Nohria (2006)

QUESTIONS

- Q.1 What role can management, leader and leadership development play in developing the different forms of human capital discussed in Exhibit 1.2 above?
- Q.2 What types of approaches or strategies would you suggest to develop each type of human capital?

A Critical Theory Perspective

A critical perspective on leadership development has emerged in recent years. This perspective urges a critical and reflective approach and endorses the importance of using different theoretical lenses to achieve a better understanding of the complexity, ambiguity and paradoxical nature of management and leadership development. A critical perspective

views management and leadership development as a discourse and emphasises the varied conflicting purposes of management and leadership development. It highlights how management and leadership development can be perceived as both productive and repressive. It rejects the notion of a single objective truth and, as a consequence, rejects any one perspective on management and leadership development. Instead it views management and leadership development as a multifaceted concept which lacks stability across both time and space. A critical perspective focuses on revealing the unspoken dimensions of management and leadership development in organisations.

Critical perspectives challenge the conventional thinking on management and leadership development which has focused on refining manager skills and developing organisational capabilities to ensure that organisations operate effectively. It challenges rational organisation practices and replaces them with more democratic and emancipatory management development practices. It questions orthodoxy and emphasises the need for self-reflection and the empowerment of individuals to bring about change, and it recognises that organisational practices are not, in fact, rational but are characterised by messiness, complexity and irrationality (Sambrook 2004).

The argument that management and leadership development has an emancipatory dimension is challenging. It arises because there is an inherent tension between reconciling the needs of individuals and those of organisations. It raises the question of whether the purpose of management and leadership development may be to free managers from the control of the employment relationship. It also focuses on identifying what lies behind the dominant imagery and icons of management and leadership development. What, for example, is the underlying purpose of individual development plans? Is it about performance or development? At a more fundamental level, a critical perspective seeks to address what we mean by management and leadership development. There is a tendency to take its meaning for granted. What does it mean for those managers who are exposed to management and leadership development? Table 1.12 provides a summary of six perspectives of management and leadership development and the questions they pose.

Table 1.12 Discourses On Management and Leadership Development

Perspective	Key Questions for Management Development
Political	<ul style="list-style-type: none"> • Who are the stakeholders involved in management and leadership development? • Who influences management and leadership development and in what ways? • Who gains from management and leadership development? • Whose interests do management and leadership development specialists meet?
Iconoclastic	<ul style="list-style-type: none"> • What lies behind the dominant imagery and language of management and leadership development? • Is management and leadership development concerned with learning or performance? • To what extent is management and leadership development concerned with personal development? • What myths prevail concerning management and leadership development?
Investigative	<ul style="list-style-type: none"> • What do we actually mean by 'management and leadership development'? • How can we investigate what we actually mean by management and leadership development? • How do we question those who decide what management and leadership development should mean?

Perspective	Key Questions for Management Development
Epistemological	<ul style="list-style-type: none"> • What constitutes knowledge in the context of management and leadership development? • What methodologies are accepted in constructing our understanding of management and leadership development?
Revelatory	<ul style="list-style-type: none"> • What is the truth about management and leadership development? • How is management and leadership development talked about? • Is there a single truth about management and leadership development?
Emancipatory	<ul style="list-style-type: none"> • How do we reconcile the needs of individuals or organisations? • Do management and leadership development processes promote the potential to emancipate? • Whose needs do management and leadership development practitioners serve?

EXHIBIT 1.3

Theoretical Perspectives Relevant to Understanding Management, Leader and Leadership Development in Organisations

Theory	Description	Prescriptions for Management and Leadership Development
Resource-Based Theory	<p>The resource-based view of the firm argues that all a firm's attributes can be considered as resources, including all assets, capabilities, competencies, organisational processes, information and knowledge. The resource-based approach can be viewed as a continuing search for competitive advantage through the creation, acquisition and utilisation of unique firm resources. The theory addresses the central issue of how superior performance can be attained relative to other firms in the same market and posits that superior performance results from acquiring and exploiting unique resources of the firm. Sustained competitive advantage is generated by the unique bundle of resources at the core of the firm. The resource-based view describes how business owners build their businesses from the resources and capabilities that they currently possess or can acquire. It emphasises that only resources that meet the four criteria of Value, Rareness, Inimitability and Non-substitutable firm-specific capabilities can delivery competitive advantage.</p>	<ul style="list-style-type: none"> • Key management and leadership development themes – learning contracts, competency investment and lifelong learning investment. • Management and leadership development can be used by organisations to achieve value and uniqueness in a strategic context. • Internal capabilities can be developed into a source of competitive advantage. • Organisation needs to drive the development of internal capabilities • Management and leadership development can be used strategically to achieve the desired behaviours. • Management and leadership development can be used to develop both hard and soft skills and abilities. • Management and leadership development focuses on differentiating leaders from others. • Management and leadership development must transmit knowledge and skills and articulate the social and behavioural norms of the organisation. • Effective LD is defined in terms of the acquisition of prerequisite skills, knowledge, abilities, attitudes and values in order to meet the demands of the competitive environment.

Theory	Description	Prescriptions for Management and Leadership Development
Resource-Based Theory <i>contd.</i>		<ul style="list-style-type: none"> As organisational goals and objectives are ambiguous and the means of achieving these goals are often uncertain, the agenda for management and leadership development may be to provide for a broader range of skills, attitudes, behaviours and abilities.
Human Capital Theory	<p>The basic idea of human capital theory is that human capital induces productivity and that more human capital implies a higher productivity which, depending on whether the investment in human capital is general or specific, may be rewarded on the labour market by higher wages. Acquisition of human capital can take place during initial education or during the career. Investment in human capital can take place throughout a person's career on the job or off the job. Human capital theory looks at the rewards of investment in education and training and is concerned with relating measurable investments in human capital to monetary rewards to indicate labour market success.</p>	<ul style="list-style-type: none"> Create a learning culture where knowledge creation and action can flourish. Core competencies embedded within a given philosophy and organisation culture. Continuous investment in training, education and development strategies to keep ahead of competitors. Managers invest in their own employability through learning processes, experience, project work and a range of career-enhancing strategies. Firms utilise bonding mechanisms to bind managers to the organisation. Invest in basic training, continuous professional development activities and post-experience education programmes, project learning and planned job experiences.
Learning Network Theory	<p>Learning network theory is a theory about the organisation and development of learning systems. Learning systems in work organisations are analysed in a network approach to organisations. They are subject to tensions, which arise from their dual orientation: an orientation towards the development of human potential (humanity) and an orientation towards the development of the work process (work relevance). Learning Network Theory offers a frame of reference for analysing the tensions between humanity and work relevance and provides leads for handling such tensions. A learning network operates in every organisation. Learning networks are not limited to network-type organisations, matrix organisations or team-based organisations. People learn in every organisation, even in a hierarchical one or a chaotic one, and the learning network merely represents how the learning is organised. A learning network consists of the various learning activities organised by the members of the organisation.</p>	<ul style="list-style-type: none"> Improve capacity for learning by individuals. Create different ways of generating and using knowledge through networks and other learning methods. Create a work environment that stimulates and supports collective learning. Acknowledge the role of informal and non-formal leadership development processes.

Theory	Description	Prescriptions for Management and Leadership Development
Psychological Contract Theory	<p>Psychological contract theory focuses on the nature of the employment relationship. It argues that the modern psychological contract is transactional in nature and focuses on specific monetary economic exchanges which are short-term, such as working longer hours and accepting new job roles in exchange for more pay or job-related training. It may also be relational in nature, in which case it focuses on loyalty and discretionary behaviour in exchange for job security, financial rewards and training and development. In this relational exchange, the individual comes to identify with the organisation and there is a higher degree of mutual interdependence. This relationship can be associated with the experience of more progressive human resource practices and is seen to lead to a more positive state of contract and improved employee and business performance. Under the new psychological contract, there are no long-term expectations but a commitment of the organisation to provide employees with the best training and development and this will allow employees to find new jobs in case the company should have no further requirement for their skills and services. The HR practitioner is an agent for the organisation when dealing with the psychological contract. The agent sells the idea of employability to its employees.</p>	<ul style="list-style-type: none"> • Facilitate delivery of the deal for both employer and employee. • Develop proactive and lifelong learning and career development activities. • Invest in generic and advanced competencies. • Facilitate the creation of positive employee perceptions of the psychological contract. • Contribute positively to outcomes such as job satisfaction, organisational commitment and citizenship, motivation and job involvement. • Regularly evaluate management and leadership development at performance review time and at times of renegotiation of the psychological contract. • Establish exchange programmes, job relations and mentoring relationships to facilitate information sharing and enable the transfer of information. • Take opportunities to learn and become more marketable and to move jobs if necessary.
Social Capital Theory	<p>Social capital theory focuses on structure, networks and action. The social structure consists of people with varying levels of resources and with varying levels of authority. The measure of their resources and authority is determined by their place within the social structure. The second aspect of social capital is the relationship type: weak ties or strong ties. There exist 'valued resources' that can be accessed within this network. Mutual agreement through persuasion rather than authority or coercion dictates the actor's participation and interaction. The search for valued resources explains the existence of relationships, what these resources are, why they are important and why people interact with each other. The third aspect is the motive or motivation of individuals to engage in social networks. Instrumental action motives include investing, seeking out, mobilising relations and connections that may provide access to social resources.</p>	<ul style="list-style-type: none"> • Create social career ladders and mentoring programmes. • Conceptualise the market in terms of social networks and actors. • Share knowledge to create new learning. • Encourage informal learning between individuals at all levels in organisations. • Improved career outcomes when social capital leads to knowledge-sharing. • Utilise the knowledge of all organisation members. • Allow all managers to work and learn across boundaries. • Improve organisational effectiveness through relationship-building, skill and competence development. • Make more effective use of development processes such as training needs analysis and feedback processes.

Theory	Description	Prescriptions for Management and Leadership Development
<p>Chaos Theory</p>	<p>Chaos was most commonly used as a popular pseudonym for dynamic systems theory which describes itself as ‘recurrent, random-like and a periodic behaviour generated from deterministic non-linear systems with sensitive dependence on initial conditions of the system’. The core properties of the chaotic system are: consciousness, connectivity, indeterminacy, emergence and dissipation. Chaos is seen as a lens and the ‘thing’ of organisational reality itself; it cannot tell one what is to be seen, only how one can see it as clearly as possible. Chaos is essentially neither a model nor a theory but a fundamental way of seeing, thinking, knowing and being in the world.</p>	<ul style="list-style-type: none"> • Develop a learning organisation whereby the organisation enables the learning of its members to create positively viewed outcomes such as change and innovation. • Allow organisations and its members to be capable of adapting, changing, developing and transforming in response to the needs, wishes and aspirations of people. • Encourage learning that will enable collectives to enhance capacity to create and change. • Change the way individuals and organisations think about learning and development. • Informal, incidental and proactive learning are still very much part of chaotic systems. • Create a network of communities of commitment and communities of practice.
<p>Agency Theory</p>	<p>Agency theory explains how to best organise relationships in which one party (the principal) determines the work, which another party (the agent) undertakes. Agency relations are problematic to the degree that: a) the principal and agent have conflicting goals; and b) it is difficult or expensive for the principal to monitor the agent’s performance. A principal–agent relationship involves the entrusting of duty or authority by the owner (the principal) to another party (the agent) to act on the owner’s behalf. The use of the word entrust is somewhat misleading because the principal does not trust the agent to act in his best interest, but assumes that the agent is opportunistic and will pursue personal interests which are in conflict with those of the principal. Contracts are used to govern such relations and efficient contracts align the goals of principals and agents at the lowest possible cost. Costs can rise from providing incentives and obtaining information (e.g. about the agent’s behaviour and/or the agent’s performance outcomes). With agency theory the probability that self-interested or opportunistic behaviour will occur is dependent on the amount of control the principal has over the agent’s activities and the degree of information asymmetry which exists between agent and principal. Low principal control over the agent and high information asymmetry in favour of the agent allows the agent great discretion to pursue his or her own interests. To counter the agent’s propensity to engage in</p>	<ul style="list-style-type: none"> • Investment in firm-specific training more likely to be utilised. • Bond the employee to the organisation. • Organisation needs to drive the development of internal capabilities. • Short-term focus when selecting management and leadership development interventions. • Leadership development may be used to manage the relationship between principals and agents.

Theory	Description	Prescriptions for Management and Leadership Development
Agency Theory <i>contd.</i>	opportunistic behaviour, the principal should monitor the behaviour of the agent, or provide incentives to align the interests of the agent with his own.	
Social Identity Theory	Social identity theory is a theory of group membership and behaviour. A sub-theory of social cognition, social identity theory developed with the purpose of understanding how individuals make sense of themselves and other people in the social environment. Individuals derive a portion of their identities from their membership and interactions within and among groups. Social identity is a concept with enduring (core) and (peripheral) components evolving in a reciprocating process between the individual and the group. It is an ongoing process of interaction between the individual and the focal group (in-group) and between the individual and other groups (out-groups). It is a process, not an entity or label. This processual nature helps to explain the complex and dynamic nature of identity in social interactions. The resulting identity, in effect, depends on the situation and the relative strengths of internal and external categorisation at the time. The emphasis on process recognises the relational, dynamic, contextual and constructed nature of social identity.	<ul style="list-style-type: none"> • Management and leadership development activities should address group behaviour issues. • Management and leadership development is influenced by group dynamics and social processes. • Social identity theory has important implications for the way in which managers are socialised and the use of manager role models. • Leadership development involves processes of social interaction and collective identity.
Social Constructionism	Social constructionism focuses on social interaction. It acknowledges a dynamic interaction between the learner's tasks and the instructor. Learners create their own truth as a result of their interaction with others. The task or problem becomes the interface between the instructor and the learner. Social constructionism emphasises the importance of culture and context in understanding what is happening in society and constructing knowledge based on this understanding. It acknowledges the uniqueness and complexity of the learner and argues that responsibility for learning should increasingly reside with the learner. The learner should be actively involved in the learning process. Developers, according to this theory, adopt roles as facilitators, not instructors. The context in which learning occurs is central to understanding the value of learning.	<ul style="list-style-type: none"> • Management and leadership development is an active process of dynamic interaction. • The manager creates a personal vision of the truth that is tested through dialogue with others. • Managers engage in situation-specific tasks that facilitate development. • The background culture and language of the manager are integral parts of the learning process. • Each manager has a unique learning agenda based on his/her personal development objectives.

Theory	Description	Prescriptions for Management and Leadership Development
Leadership Complexity Theory	<p>Leadership complexity theory provides a framework to understand leadership as an enabler of the learning, creative and adaptive capacity of complex adaptive systems in knowledge-producing organisations. Leadership complexity theory focuses on context, which it defines as an ambience that spawns a given system's dynamic persona. Leadership is socially constructed in and from this context. History and time are important issues. The theory distinguishes between leadership and leaders. Leadership is an emergent, interactive dynamic that produces adaptive outcomes. Leaders are individuals who act in ways that influence this dynamic and its outcomes. The theory postulates that leadership complexity occurs in the face of adaptive challenges rather than technical problems. These adaptive challenges require new learning, innovation and patterns of behaviour. Technical problems, on the other hand, can be solved using existing knowledge.</p>	<ul style="list-style-type: none"> • Management and leadership development must take consideration of the mechanisms and contexts through which change occurs. • Development processes are essentially non-linear in nature, changeable and unpredictable. • Development occurs through interaction and the nature of development outcomes are complex and difficult to understand. • The challenge of leadership development is to ensure that leaders are adaptive and that they possess the competencies to solve complex problems and integrate new learning into their repertoire of skills.
Gift Exchange Theory	<p>Gift exchange theory postulates that the exchange of gifts between two parties represents a special type of social exchange. Gifts seek to strengthen the ties between the parties. The exchange of gifts is governed by a set of rules. When the relationship is positive, less emphasis is placed on the actual resources being exchanged. The social context of the parties is the most fundamental issue. Gifts may have emotional significance to a recipient that is considered equivalent to a more impressive gift given to the other party. The focus is not on calculating the monetary value of the gift. The relationship is characterised by its personal nature. The parties develop mutual empathy and there are frequent interactions between the parties. The relationship itself is then indefinite, with a high potential for trust between the parties. The types of resources exchanged are likely to be both tangible and intangible. The key rules of the gift exchange are: 1) a gift should consider the recipient's personal needs and feelings; 2) the parties should avoid discussing the gift exchange balance sheet; 3) parties avoid making explicit their expectations of the gift exchanged; 4) each party acts appreciatively when a gift is presented;</p>	<ul style="list-style-type: none"> • Management and leadership development can be framed as a gift exchange. • Management and leadership development is a gift that increases a manager's stock of marketable skills which can be translated into a higher salary. • The employer who pays for the manager's development will frame these resources as a gift. • The manager is likely to perceive that his/her personal needs are being considered by the employee. The manager will likely feel more secure given that the employer has paid for skills that make him/her more marketable. • The manager will reciprocate by creating discretionary extra role behaviours that go beyond the core job tasks. • The co-operation of the manager will benefit the employer. Managers who are co-operative take into account the interests of the employee. • Managers who receive management and leadership development investment by their employer are likely to be more productive and committed. It reduces the likelihood that the employer will lose the investment due to the manager leaving.

Theory	Description	Prescriptions for Management and Leadership Development
Gift Exchange Theory <i>contd.</i>	5) the recipient of a gift should ensure sufficient time delay before reciprocating the gift to the other party; and 6) the equilibrium of exchange between the parties is always dynamic.	

A Dynamic Approach to Management and Leadership Development

The majority of approaches to management and leadership development are reductionist in nature. They emphasise both structure and process. Recently academics have focused on a more dynamic and adaptive approach to development. This approach to development has as its starting point the notion that, because human beings are complex, adaptive entities, these characteristics are also inherent in their management and leadership development and careers. Drawing on the work of, amongst others, Savickas and Lent (1994) and Block (1993), it is possible to identify a number of characteristics which describe a dynamic theory of management and leadership development:

- Managers continually reinvent their careers, moving freely among and within roles. Management and leadership development is a complex process. It requires participation in the give and take of the outside world. Managers build relationships that are complex and dynamic.
- Management and leadership development is an entity within the entity of the individual, but it also exists in the context of relational networks. These networks consist of education, occupations, roles, cultures and organisational processes and represent ongoing relationships that are affected by the character of each development activity.
- The development of a manager is a component of that manager's entire life experience and of the entire work system. Because development is part of a relational network and these networks are in continual open exchange, development occurs. This development may be sought by the manager or the manager may have little choice.
- Each manager's development pattern makes sense only in the context of that manager's life and the specific dynamics of the environment and the internal dynamics of that manager. The development of each manager is a series of choices that resonates for the individual and can only be fully understood in terms of that individual.
- Random and, in some cases, small events can lead to major development. These changes can thrive due to particular conditions in the workplace or life of the manager.

Dynamic and non-linear perspectives of management and leadership development are in their infancy but, at a theoretical level, they have the potential to provide us with interesting insights concerning the process of development. They do suggest that change is inevitable and not always comfortable. Managers are likely to experience ambiguity and chaos. This suggests that managers should focus on the development of generic, transferable competencies. This theoretical perspective also suggests that management and leadership development is an individual process and that the willingness to make changes and meet challenges is an opportunity for development.

Leadership Development as Sustainable Development

Another emerging perspective argues that the purpose of leadership development should be to contribute to sustainable development. Wade (2006) suggests that sustainable development is both a value and a broad framework of thinking, and that leaders in organisations should strive to develop competitive advantage based on a strong commitment to business principles and sustainable development. Leaders with a sustainable development mindset exemplify competencies that reflect a breadth of vision and an external mindset. The challenge for leadership development is to develop in leaders a capacity to:

- Identify key trends and influences that are of strategic importance to the organisation and to use the insights gained to enable strategic growth
- Balance the short and longer term
- Ensure the integration of environmental and social factors in both strategic and operational decision-making
- Demonstrate visible leadership in creating a culture that facilitates innovation, enables diversity and decisiveness and creates challenge
- Build long-term relationships with internal and external stakeholders and engage with their values and priorities.

The development of leadership must be embedded in an organisation. It needs to focus on collective actions of common value across the organisation. Figure 1.2 provides an illustration of a sustainable leadership development framework.

Figure 1.2: A Sustainable Development (SD) Framework for Leadership Development

Objective	Activity	Medium	Agent
Awareness and Understanding	Communicating <ul style="list-style-type: none"> • Key messages • Latest updates • Best-practice examples 	<ul style="list-style-type: none"> • SD e-portal • Newsletters, e-letters • Shell report • Resource library 	<ul style="list-style-type: none"> • Corporate centre • Businesses • Functions
Working Knowledge	Skilled Training/Learning <ul style="list-style-type: none"> • SD presentation packs • SD case studies • SD best-practice guides • SD modules/events • SD e-learning tools 	<ul style="list-style-type: none"> • SD workshops • SD master classes • Chronos (e-learning) • Leadership assessment and development • Training/coaching interventions 	<ul style="list-style-type: none"> • SD advisers • Subject experts • Self-directed • Programme managers
Mastery and Advocacy	Beyond Training <ul style="list-style-type: none"> • Active learning • Experienced people • Functional leadership • Competency profiling 	<ul style="list-style-type: none"> • SD networks • Cross-posting • Career planning • Competencies 	<ul style="list-style-type: none"> • Businesses • HR planners • SD advisers • SD practitioners

Holistic Management and Leadership Development

Shefy and Sadler-Smith (2006) argue that effective leadership development is based on an approach that embodies balance and harmony, focuses on relationships and avoids the tension of opposites. They suggest six principles that characterise a holistic approach:

- **Quieting the Mind:** This is defined as a state of contemplation and quiet. Managers are required to let go of tension, doubt and expectation as a prerequisite to see through and into the essence of things. This suggests that managers can develop new insights, become more effective with less effort, and allow their intuitions to emerge. Managers who are free of past experiences and prejudices become more effective and attuned to others.
- **Harmony and Balance:** The holistic perspective argues that the essence of management lies in the manager's chi and in enabling that chi and the chi of others to flow. In a management and leadership development context, this might arise through the development of self-motivation in skills and the skills to motivate others. Holistic thinking advocates that managers should avoid extremes.
- **Relinquish the Desire to Control:** This suggests that managers should develop an understanding that it is not always possible to control, to manipulate or to predict. Managers should be skilled in accepting a lack of control and use personal power instead. This suggests empowering others in decision-making and task performance. Managers should give power to others and they will be more fulfilled.
- **Transcend the Ego:** Managers should strive to increase self-awareness and understand that the conflict of the self represents the key challenge. Holistic leadership development argues that if one's self-awareness is enhanced, people will follow naturally. Managers are challenged to transcend the ego and be aware of strengths and weaknesses.
- **Tenderness:** Managers need an anchor or a centre of gravity. This includes the requirement to be functionally flexible and possess values that provide an anchor for honesty and integrity. This suggests that managers need a frame of reference in times of crisis or pressure. Strong contriteness provides the manager with greater self-confidence and presence.
- **The Power of Softness:** Holistic management and leadership development suggests that the 'tough' manager is an outdated stereotype. The holistic perspective suggests openness, softness and flexibility. Managers who demonstrate these attributes will be more effective in difficult and unpredictable situations.

Table 1.13: Assessing the Development Potential of Your Managers and Leaders: Key Questions for Organisations

Thinking Beyond the Boundaries

Definition:

The application of conceptual ability to broach questions and to think in a big picture way. It involves the disposition to look beyond the role and make connections with other areas.

Key Questions:

Does the manager in his or her thinking make useful connections that are beyond the scope of the job or role?

Has the manager the capacity to think in a creative way about big questions?

Has the manager the capacity to make complex issues relatively simple and grounded in reality?

Curiosity and Eagerness to Learn

Definition:

A natural curiosity and eagerness to learn and take in new challenges, which is evident in the manager's willingness to ask questions that push the boundaries.

Key Questions

- Does the manager display behaviours which indicate a willingness to go beyond what is normally expected in the job?
- Does the manager display a willingness to take on different and challenging job assignments?
- Does the manager attend unusual development activities?
- Does the manager show a willingness to take risks in the interest of learning?

Social Understanding and Empathy

Definition:

This consists of a desire and ability to understand others and to see the individual in his/her entirety.

Key Questions

- Does the manager demonstrate effective listening skills, ask appropriate questions for purposes of clarification and make considered conclusions?
- Is the manager continually motivated to understand others?
- Does the manager treat others with respect and make positive evaluations of others?
- Does the manager possess the capacity to bring out the best in others?

Emotional Balance

Definition:

This characteristic focuses on the manager's emotional balance, emotional resilience and degree of optimism.

Key Questions

- How does the manager respond emotionally when things do not go as planned?
- Does the manager possess the capacity to recover and learn quickly from mistakes?
- Is the manager willing to seek out constructive criticism and improve performance as a result?
- Does the manager pursue actions that are in the interests of the team as a whole?

Other Key Issues in Considering Development Potential of Managers and Leaders

- Are the organisation's growth factors or criteria recognisable early in a manager's career?
- Are growth factors useful to many leadership roles in organisations?
- How much time and resources are required to develop the desirable competencies?

Conclusion

Management and leadership development has a range of meanings, purposes and outcomes. It is possible, at a conceptual level, to differentiate management and leadership development from other processes such as organisation development, management education and training and career development. For our purposes we recognise there are differences in emphasis, but for the purposes of the book we treat them as part of a wider system of development initiatives that can be implemented by individuals and organisations. We distinguished

between management, leader and leadership development. A multiplicity of lenses or frames exists through which management and leadership development may be understood. There is much that is debated and contested within the field. Definitions and perspectives on management and leadership development will influence approaches and methods adopted in practice. The notion of management versus leadership is widely highlighted. Leadership is often assumed to be a superior activity to that of management. Management tends to be viewed as a transactional activity, whereas leadership is focused on change and relationships.

Individuals and organisations invest in management and leadership development for a multiplicity of reasons. These reasons are sometimes complex and problematic. The more conventional view suggests that the purpose of management and leadership development is primarily to improve organisational performance and success. This has led in particular to the emergence of strategic management and leadership development, which argues that management development should be linked in some way with organisational strategy.

Management, leader and leadership development has in the past focused on formalised and structured approaches. We highlighted the tendency to write about management and leadership development as a process with large-scale organisation and sophisticated resources and systems. This model does not fit all organisation types. Nor does it account for more informal and situated development processes.

Management and leadership development is an ongoing process. It is grounded in personal development, a process that never ends. It is also embedded in experience. It is well established that managers and leaders expand their experience over time and that they therefore learn continuously. Development is related to experiences which can enhance self-awareness. Development processes are characterised by a sense of challenge, appropriate support and personal insight. The most effective management and leadership development will be embedded in an organisational and individual context. The process focuses on the expansion of a manager's capacity to be effective in a variety of management and leadership roles.

Summary of Key Points

In this chapter, the following key points have been made:

- 'Management' and 'leadership' are complex and potentially problematic concepts. This complexity explains the variety of meanings that academics and practitioners attach to each concept.
- Management and leadership development can focus on managers collectively or individually. It has aims that focus on the development of capabilities and competencies consistent with the context (strategic, cultural and environmental).
- Numerous approaches to management and leadership development exist, ranging from the more conventional to the unorthodox. We identified piecemeal systems and strategic approaches as more conventional approaches. We considered more contemporary approaches, such as critical and dynamic approaches to management and leadership development.
- Management and leadership development needs to consider the perspectives of different stakeholders, including managers, top management, the board, peers and subordinates.
- The purposes of management and leadership development are many and potentially conflicting. They often have to be negotiated and reconciled.
- Organisations invest in management and leadership development to develop self-awareness, self-confidence, networking skills and competencies and to contribute to the strategic success of the organisation.

■ Discussion Questions

1. Is it possible to design management and leadership development interventions that can accommodate both individual and organisation expectations?
2. What assumptions are made concerning the concepts of management and leadership and what implications do they have for development?
3. What factors should be taken into account when deciding on different approaches to management and leadership development?
4. How can critical perspectives on management development be reconciled with conventional organisational perspectives?
5. Is it possible to reconcile the many potentially conflicting purposes of management and leadership development?

■ Application and Experiential Questions

1. Do some research in an organisation of your choice or your current organisation. What are the main purposes of management and leadership development in the organisation? How does it reconcile individual and organisational priorities? What problems have arisen in delivering management and leadership development?
2. Put yourself in the position of a manager or senior executive. Why would you invest in management and leadership development? How would you use management and leadership development to manage risk in the external environment?
3. In groups of three, represent a consulting firm. You have been asked to prepare a proposal for a leadership development programme for young graduate managers. What purposes would you prioritise? What steps should the company take to ensure that the initiative is a success? Present your ideas in class and justify why you should be given the contract.