



**SWP 31/87 MANAGEMENT DEVELOPMENT AND EXECUTIVE
PERFORMANCE**

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by

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MANAGEMENT DEVELOPMENT AND EXECUTIVE PERFORMANCE

I recently heard someone say that Dr Robb Wilmot, the former Chief Executive of ICL, was launching a crusade; a crusade to persuade government and other big businesses in Europe to seriously utilise and adopt management development practices and techniques. The reason is simple - Europeans, including Britons, are as inventive as any in the world, but are falling behind the Americans and Japanese in terms of making sure that products are well manufactured, packaged, marketed and sold. In other words, the Europeans, as much as anyone, have a high capacity for innovation, but are poor in implementation.

Organisations that consistently perform poorly in the marketplace do so because of poor market share. Poor market share or loss of market share occurs because people do not wish to purchase your services or product. Organisations that have faced substantial financial and market share losses are ones that were unable to see trends in the marketplace change, in order to produce those goods or services that the market required at the standards the market demands and at prices the market can sustain.

Organisations that face a downturn in their business do so because of managerial problems. Those organisations' managers are either too slow, too inefficient, too ineffective or lack the vision and belief in themselves to be risk takers and, as a result, become risk shy.

For such reasons, management development has grown in popularity since the 1960s. It has been recognised that the development of an organisation is integrally linked with the level of business, societal and educational awareness of its managers. Management development is concerned with executive performance! Management development, therefore, is a planned approach to utilising alternative ways and educational designs that can enhance the performance of managers through increasing each individual's knowledge and awareness of the techniques of management and external business opportunities in order to meet the longer term mission and objectives of the organisation.

Therefore, there is really no short cut. Management development has to be applied at the individual and group level. Hence, those individuals and groups that require development need to be identified. The process of management development needs to take into account the challenges, opportunities and problems of those individuals and groups and link these with corporate objectives, so that training and development pay.

Studies of Executive Performance

Irrespective of personality type, studies conducted in the UK and USA show that there exist very particular reasons for effective executive performance (see Table 1).

Table 1**Key Influences in Management Development**

USA Chief Executives	UK Chief Executives
1 Need to achieve results	1 Ability to work with a wide variety of people
2 Ability to work with a wide variety of people	2 Substantial responsibility for important tasks
3 Challenge	
4 Willingness to take risks	3 Need to achieve results
5 Early overall responsibility for important tasks	4 Leadership experience early in one's career
6 Width of experience in many functions prior to the age of 35.	5 Width of experience in many functions prior to age of 35
	6 Ability to do deals and negotiate.

Three separate categories can be identified from the results outlined in Table 1; **interpersonal, personal, career planning.**

Interpersonal

Statements such as, the ability to work with a wide variety of people, ability to do deals and negotiate, and leadership experience early in one's career, indicate that senior executives consider that the ability to manage various people is an important issue in terms of job performance. The UK respondents place slightly greater emphasis on the interpersonal skills of management than do the USA respondents. In these two studies, the respondents were asked what were the most important aspects of their job they had to learn to perform their role as an executive. The interpersonal factors of communication, delegation and patience emerge as the prime items. Therefore, the ability to work with a wide variety of people is something which CEOs feel they have had to work hard at and is a crucial element of their own personal development.

Personal

Statements such as the need to achieve results, challenge and a willingness to take risks, emphasise the importance senior executives attach to energy, drive and commitment. The American executive attaches greater importance to personally oriented characteristics, in contrast to the British who attach greater value to interpersonal skills. Additional research in this field (McClelland 1965; Guiselli 1971) highlights the importance of personal achievement. What these characteristics, such as need to achieve results or challenge, mean in practice is that high potential executives set high targets and then strive to achieve them. The researchers in these studies report interview data describing how chief executives had set high standards and targets which they then encouraged other people as well as themselves to achieve.

Career Planning

Statements such as early overall responsibility for important tasks, width of experience in many functions prior to the age of 35, and leadership experience early in one's career emphasise the need for systematic career planning in organisations. It is felt by most executives that an important influence on their own management development is having had responsibility for important aspects of the organisation's work early in their career. In most cases, this would mean a profit and loss responsibility for a unit. Further, a wide experience of the various functions in the organisation before the age of 35 is important if that person is destined for senior management. The organisational implication is that people should be encouraged to apply their skills in other functions to attain the width of experience necessary in order to accept leadership responsibility at higher level. Early experience and a broad but in-depth view of the organisation are essential ingredients to developing executive potential. The respondents in the surveys indicated how much they learned by crossing organisational boundaries and recognising how business functions need to be integrated at a senior level. Clearly, it is not possible for everyone to have this opportunity, but it is important for people who are to move to policy levels to have experience in at least two or three other functions than their own specialist professional areas. In order to provide a width of experience as an essential ingredient in executive development, forward thinking is required on both the individual's part and the organisation's. All organisations need to develop appropriate manpower plans to enable people to gain the necessary experience in various functions.

Northern Telecom

My initial impressions of Northern Telecom were positive; impressions that have been sustained to date. The managers whom I met, struck me as energetic, highly performance conscious, concerned about finding ways to improve performance, and willing to listen to new ideas or criticism of current poor practice. Perhaps the most impressive feature of executive life at Northern Telecom is the willingness to give and receive feedback. I was amazed at the ease with which people could address each other over sensitive issues. One of the fundamental reasons for effective managerial performance is the ability to talk about issues that are facing a particular group or business without feeling unduly inhibited by the sensitivities and personalities prevalent in the organisation. When executive interactions are curtailed because of interpersonal tensions which prevent discussion of issues facing the business, then the business will, slowly over time, simply perform less effectively. My experience of the Northern Telecom executives is one of an openness of communication, a willingness to do well, and a tremendous capacity and energy for hard work.

Why Management Development for Northern Telecom?

For a company as Northern Telecom, that seems so positive and forward thinking, why management development? Three reasons are offered:

1 Working in a Matrix Structure

Matrix structures are not easy to operate. The cross-relationships, the multiple links executives have to manage and negotiate, the numerous and often conflicting demands made on executives, can lead to poor morale, deterioration of relationships, and simply not achieving certain targets because individuals cannot identify with the needs and

demands of other groups they are servicing. So much depends on people's skills of handling others. It is no use depending on the authority in your role to get things done. You will simply be undermined by the effective organisational politician. Equally, having sufficient insight and understanding concerning the jobs, pressures and problems of others are important. All too often, seemingly impossible demands are made from functional line bosses to one or more members of a cross-functional, possibly national or regional, team with the result that mistrust and poor business performance occur. Not only does that executive feel that he has two bosses making conflicting demands on him, but also that the authority of the leader of the cross-functional regional team and of the functional line manager is undermined, because they cannot get done what needs to be done.

Is the organisation working well today? Will it continue to do so in the future? Are its executives equipped to work effectively in a matrix structure? Or do they assume they know how to work the system?

2 *Size of Organisation*

The bigger an organisation becomes and the quicker it grows, the less one can rely on informal interactions or personal knowledge of other executives or other parts of the business. A more planned approach to executive development needs to be adopted.

3 *Assumptions Concerning Managerial Skills*

Do not rely on people's assumptions that they can do a job well. Effective performance depends on applying clearly understood and meaningful criteria to assess performance, well developed skills to do the job, and a professional approach to career planning. The larger an organisation becomes and the more matrix its manner of operation, the greater the need for job-related training and development. On this point, it is worth stating that Northern Telecom plc has offered Cranfield School of Management a £30,000 award to examine the components of Effective Executive Performance, with a view to generating practical questionnaires and training instruments for use within Northern Telecom.

Approaches to Management Development

Not all effective managers will attain a top position, but at least useful guidelines are generated as to how managers and senior executives in general can be trained and developed. Based on various survey results, the recommendations made cover;

- the necessary elements that an organisation should consider in order to develop systems and procedures to ensure that all those of high potential are identified and experience appropriate training and development.
- what specific training and development (in terms of on and off-the-job) can best be provided for those exhibiting executive capacity and the potential for high office.

Management Development Systems

1 *The Executive as a High Achiever*

The need to achieve results is rated as high by UK and USA CEOs. This is the factor which they consider has the strongest influence in their own management development. It is a personal view, but indicates the importance chief executives place on determination to achieve results. It is, therefore, vitally important in developing successful managers for the future, that various ways in which such achievement is identified and encouraged, can be implemented.

The first thing to note is that it would seem few organisations actually try to measure an individual's need to achieve results. However, it is possible to do so, as Ghiselli (1971) has shown. Indeed, he has produced easy to use tests of a person's need to achieve, as have others.

Such tests are useful when one does not know the track record and previous performance of an executive. They are therefore helpful in selecting people when they are joining an organisation straight from university or college, or moving to an organisation in mid-career.

One would not normally consider applying such tests to executives who have been with an organisation for a period of time. Their achievement should be measured through actual performance rather than through tests. Track record after all is one of the best indicators of future performance. However, where this track record is not easily identified as in the case of newcomers joining an organisation, then we would strongly recommend the application of need-for-achievement tests as a key factor in identifying whether executives are likely to have the necessary attitude and determination to succeed. Such tests in themselves do not give the answer. They will only give an indication of a person's basic orientation. However, that can be of vital importance in making decisions which can cost their organisation large sums of money over a number of years.

The second aspect of the need to achieve results has been addressed on a number of occasions by McClelland (1965). He has argued, together with his colleagues, that a need to achieve can be encouraged and stimulated through training. He has developed a number of specific training programmes and produced results which suggest that the achievement motivation can be inculcated over a period of time with training. While this is no doubt true, it is no substitute for a person's natural desire to achieve results and set high standards and targets.

However, one of the key aspects of being an effective executive is to encourage others to achieve results and improve upon previous performance. Therefore, it could be useful to have senior executives involved in such achievement training if only so that they know how to develop and stimulate others to improve their own achievement levels.

Case 1**Planning Executive Development in a USA Multi-National Printing Company**

A USA multi-national printing company was facing problems. It was losing market share and overhead costs were rising. The CEO considered poor marketing, poor quality of service, an inability to control costs as the reasons for the organisation's poor performance. Competitors were offering lower prices and a higher quality service. The organisation was being poorly managed. The CEO retired early or made redundant, some of the poorest performing managers. For the remainder, the CEO wished to introduce training and development as the mechanism for increasing performance. The Director of Human Resources suggested that an outside agency specialising in management development should be invited to help the company with its executive development problems. Consultancy organisations and business schools were approached to see whether they would be willing to work together with the printing company on matters of executive development. One business school in particular offered to work in partnership with the company. The company accepted the offer.

One of the business school's professors argued that to introduce techniques for executive development too quickly would be inappropriate. The professor indicated that neither the business school nor the management board of the printing organisation held sufficient insights into the calibre of the organisation's managers. He suggested that a number of workshops be organised, attended by managers of various levels, to gain their views as to their problems and development needs. The main board agreed to this proposal.

The results of the workshops were interesting. The attending managers identified the following problems and development needs;

- 1 Very few of the managers had ever attended a management course or experienced any form of formal management development
- 2 The managers felt comfortable with the technical aspects of their job but stated they lacked the confidence necessary to perform as a manager.
- 3 Most expressed an ignorance as to what constituted effective managerial performance.
- 4 Most indicated that they were not sure as to what are the appropriate criteria for assessing managers exhibiting top executive potential.
- 5 Particular problem areas were identified such as the need to improve interpersonal/communication skills, decision making skills, report writing skills and team development.

The senior executives of the printing company and the business school faculty used this data to identify basic performance criteria and plan a comprehensive programme of executive development which involved on-the-job and off-the-job learning experiences.

The managers attending the workshops outlined in Case 1 argued that management development had been so neglected in the company that appropriate criteria for managerial performance needed to be identified before any training, assessment or development "blueprint" could be considered. Basic managerial performance criteria were identified so that any approaches to training and development could be related to any executive's performance on the job.

2 *Practical Experience and the High Performing Executive*

The job of managing, like so many other things in life, is learned primarily by doing. It is therefore vital that those people who are moving towards senior positions have the opportunity to acquire the necessary experience at the right time. There are a number of key points which must be built into the manpower planning system of an organisation rather than left to chance.

Job Challenge

The first of these is to carve out jobs which enable people to have a challenging job and an overall responsibility for running part of the business. There is advantage in ensuring that organisations are not too centralised. It is best if the organisation can divide up its work into profit and loss units so that executives can obtain the experience of running an operation which, while inter-dependent with the rest of the organisation, stands on its own as a measurable business centre.

Some businesses lend themselves to this form of organisation, such as the retail industry where managers can, often at a young age, take on the management of shops with a considerable volume of turnover. It is perhaps more difficult to break up the organisation into such similar economic units in the process industries and other technologically sophisticated work areas. However, wherever possible, economic units should be established so that young managers can have experience of leading a team, so that they know "the buck stops" with them.

Early Leadership Experience

The second vitally important area of practical experience for those people who are prospective leaders must be in the area of personal leadership. This means actually managing a group of people, whether it be five, ten, or a hundred. Unless an executive can learn how to allocate work, resolve differences of opinion, chair meetings, encourage people, resolve conflicts, and a host of other practical leadership tasks, then they are less likely to move to high office or to be effective in their existing position. It has often been said that management is about getting things done through persuading other people. The way to learn this is to gain a leadership post early in one's career.

Most of the managers in two major studies, one in the UK, [Margerison (1980)] and one in the USA [Margerison and Kakabadse (1984)] felt this must come before the age of thirty and preferably before the age of twenty-five. Two thirds of all the people responding, had received their first leadership command prior to the age of thirty, with all but ten per cent being in such a position before reaching the age of thirty-five. However, perhaps the most interesting finding is that forty-one per cent of all respondents had in fact gained their first leadership command before the age of twenty-five.

In an age of professional specialists and where people spend a longer period in the formal educational process, it is perhaps difficult to gain leadership experience early in one's career. However, it is a function of manpower planning and the design of the organisational structure which can facilitate the creation of leadership positions.

Wider Organisational Perspective

The third practical experience that prospective leaders need is a wider view of their business. This can only be gained by having experience in more than one of the business functions at a relatively early age. A common complaint is that too many people are held in the area of their original technical training. For example, engineers who spend all their time in the production function cannot know much about the total business.

Another example would be that too many financial accountants spend virtually all of their time in the finance and accounting function without learning much about marketing, sales, human resources, production.

If, however, senior managers are to learn how to run an integrated business, it is vitally important that they have experience in two or three functions of the business prior to the age of thirty-five. They cannot be expected to be experts in each one of these areas. Therefore, it is more likely that they will gain this experience by applying their technical skills in an area other than their own specialism. For example, a marketing person could be placed to work in the production function for a period, advising on the various issues related to design, distribution, and development. Likewise, a production person could well develop rapidly by working for a period in the marketing area. These moves should be planned rather than ad hoc.

In addition, people with high potential should be allocated to project groups, working parties and task forces which enable them to develop a wider view of the business operation in a practical way by working on specific tasks.

Hence, gaining a broader organisational perspective is especially important for executives who operate in a matrix structure. Unless each executive has some understanding of the pressures and challenges facing other people's jobs, miscommunication, misunderstandings and tensions can so easily arise. Gaining insight concerning the needs of key jobs and functions is a vital prerequisite to effective matrix management.

Challenge

Applying the above three recommendations will help with the fourth issue which needs to be taken up if management development is to be effective. This issue relates to providing a challenge for young managers. Research has shown that effective executives respond to and learn from challenges. Therefore, managerial jobs for people in their twenties and thirties must be tasks where they can be stretched. They should be designed in such a way that the manager can have identifiable goals to work towards which are sufficiently difficult to make them hard to achieve, but not so unreasonable as to demotivate the people. Organising jobs on this basis is not easy. In addition, it is vitally important that executives receive regular feedback on their performance, have to report on a regular basis and receive guidance and constructive criticism on how to improve. There needs to be some tension in the design of the job and the reporting

system, while at the same time allowing the individual manager sufficient discretion to be able to make decisions and get on with the job in his or her own way.

These four factors are key issues in the design of any management development system. In essence, they relate to making sure that the jobs people have, do stretch them and enable them to gain feedback on their performance, do provide a challenge and help them widen their understanding of the business functions. Above all, such a system must enable people to gain experience of leading people on different tasks and at different levels in order that they may develop their personal confidence and experience in managing others.

Case 2

Certain Companies' Experience in Applying Management Development

A study conducted at Cranfield School of Management [Attwood 1979] of major British, USA and European companies such as IBM, Rolls Royce, United Biscuits, Mobil Oil Corp, Chloride Group, Ciba Geigy, Bank of England etc, identified the following issues,

- 1 Management Development will only be successful when supported by top management
- 2 The development of managers can happen in a wide variety of ways. Successful companies are ones that are aware of the various techniques of management development
- 3 The ability of managers to develop subordinates improves the manager's ability to evaluate his subordinates
- 4 Effective management development practice is considered to be directly linked with the ability of the organisation to achieve its objectives in the market place
- 5 The development of the professional manager must be an integral part of the process of strategically planning the development of the business.

The learning point here is that generating, sufficient challenge and variety in people's jobs, providing early leadership experience and helping managers develop a broad based business view of their organisation, will not happen by accident. Such development opportunities will only occur when the development of an organisation's management is systematically planned.

3 *How long should managers stay in a particular job?*

For any manager, it can be inhibiting to stay in one job too long. It could equally be too destructive an experience to move managers around too quickly. However, it is necessary to move managers around for, as indicated, they will not get sufficient breadth of experience in order to understand the nature of the business if they are confined to one specific area. Given that the managers in the Margerison and Kakabadse (1984) study were appointed to the first chief executive position on average at around the age

of 40, it is clear that they packed considerable experience into a relatively short working career.

It is possible to gather some guidelines on how long a person should stay in a particular job if they have management potential. It would seem that between two and five to seven years in any one job is the lower and upper bracket if a person is to become the CEO early in his forties. There can be no hard and fast rule. Some jobs require a longer period to adapt to, and indeed the requirements of the business may demand that a person stays in a particular job for a shorter or longer period depending on the circumstances. However, those circumstances should not involve "waiting for dead men's shoes" if the senior managers of tomorrow are to be developed. It is probably necessary at times to move a person on, even when they are doing an excellent job even though the business may consequently suffer in that area. However, if they are to make progress and learn the rest of the business, then for the longer term good, short term benefits of performance in a particular area may have to be foregone.

Training and Executive Development

The training and development of managers needs to be considered in two ways, off-the-job training and on-the-job training.

1 Off-the-job Training

Management courses have grown both in number and variety over the last two decades. Yet the executives in these surveys indicate that off-the-job management courses have not played an influential part in their development. One wonders for how long this state of affairs can continue. New technological developments are revolutionising office facilities, information systems and even how to assess people. Executives need to keep up to date with these developments so as to foresee the requirements of their own organisation. As progress is rapid, we are moving into a phase of senior managers needing continuous education.

It has been identified that executives face problems in managing their time, largely due to the various demands made upon them. Hence, combining the concept of continuous education with the fact that senior executives face severe time constraints, what is required? What is required is short, sharp and relevant injections of knowledge and skills, but as part of a planned process of continuing development over a number of years. In essence, this would require executives to set aside two or three weeks' worth of training, development and management education per year. In other professions, such as medicine and law, such practice is common place. Hence, for management education to be effective, the following ingredients must be present:-

- management education needs to be integrated into the career plan of the individuals concerned,
- management education needs to address the problems faced by executives in their organisation.

The linking of management education to the needs of the individual, will occur through a well managed appraisal process. Therefore, a portfolio of training

experiences could be organised for each executive, ranging from short course management programmes, evening programmes, one-off seminars and even long programmes such as a Masters in Business Administration (MBA). Both in the USA and the UK, part-time MBAs are a popular form of management education, whereby the individual keeps his full-time job but also attends MBA classes in the evenings or at week-ends for a two to three year period. Whatever management education experiences are adopted, the principal aim is to develop the person off-the-job in line with his current and expected progress in the organisation.

Addressing the needs of the organisation will occur only if management education institutions make it a conscious policy decision to do so. Already, certain new developments in business schools and management colleges that have closer association with business organisations, are taking place. In certain institutions, faculty staff specialise in providing tailor-made educational programmes for particular organisations after having surveyed the problems and needs of the organisation.

An additional approach is to develop consortia for specific industries or particular functions. Consortia are a form of joint development activity, whereby companies from a particular industry come together to organise their own training and development experience, with the assistance of a management education institution. Managers, through sharing problems, discussing alternative approaches to solving problems and being jointly trained by business school professors, seem to gain far more than individual managers attending general management programmes. One problem which managers fear may arise, but has never occurred on, for example, the various Cranfield consortia, is "leaking" confidential information. From the Cranfield School of Management experience, giving secrets to competitors is more of a myth than a reality. The bringing together of managers from various companies to share problems and solutions by far outweighs the potential problems of secrets being given away. Another form of joint development activity is action learning, which by now is a well established, respectable and powerful approach to management education.

Another development of considerable importance is the setting up of university type development programmes by industrial and commercial organisations. McDonald's Hamburger University is perhaps the most widely known, but there are now other examples following. It is envisaged that self development in the context of organisation's own university type educational structure based on actual learning will be the central focus of much management education in the future. There is a strong possibility that senior executives will be awarded degrees in management from their organisation, depending on the fulfilment of certain educational activities. In this way, formal training and 'live' experience will be combined to assist the development of executives. Ironically, such a development may well provide a real stimulus to the formal education system when business organisations have training and development with desired job related behaviour.

Peters and Waterman (1982), the authors of "In Search of Excellence", indicate that management education must be more practical, and closer collaboration between business education institutions and industrial and commercial organisations, is an essential requirement for the future - a comment worth heeding.

2 On-the-job Management Development

It is clear from research that senior executives see personal achievement and drive as vital to their success. Consequently, the successful and effective executive is one who believes in self development. Hence, any on-the-job learning experience needs to contribute to the process of self development. Therefore, five areas for self development are identified:-

- *self understanding,*
- *developing effective management teams,*
- *working with consultants,*
- *improving presentation skills*
- *time given to personal development.*

Self-understanding. Any process which increases personal awareness and self-understanding will be of value to executives. As CEOs attribute much of their success to personal style(s) which they have developed, it is important for them to realise their strengths and weaknesses, skills and styles which need further development and training, and their capacity to manage even the most complex relationships. Towards this end, various tests, questionnaires and exercises are available, which are widely used and act as a positive stimulus on most senior executives. The value of these tests is that they tend to highlight key issues concerning abilities, attitudes, managerial style, etc, which the individual has probably suspected, but has not been emphasised or confirmed.

A further benefit of such tests is that differences between senior executives can be identified. Each person is likely to develop their own particular style and approach to managing people and situations. Problems can occur in organisations when one executive does not understand or appreciate the managerial style and strengths of a colleague. Such lack of understanding may not lead to any problems; the two may deliberately work in separate areas of activity so as not to spark off any conflict or bad feeling. Yet, more often than not, problems do arise which may lead to lack of co-operation and mistrust. Such tensions will inevitably lead to little or no feedback on performance being offered by both colleagues and subordinates. A common problem in matrix structured organisations is differences of personality leading to clashes and lack of cooperation. On the Northern Telecom programmes run at Cranfield, a particularly popular questionnaire has been the Myers Briggs. The value of the Myers Briggs questionnaire is that it can help individuals understand how different people think and feel and thereby how such individuals need to be managed in order to negotiate effective working relationships.

The process of personal development and the effective use of tests can be formalised in assessment centres which adopt a career development philosophy. In contrast, the traditional assessment centres attempt to identify high flyers by using such measures and exercises. Such assessment centres are of only limited value, largely because the most powerful form of assessment is one directly

related to job performance. Hence, if the assessment centre experience is used as an opportunity for people to consider their abilities, strengths and weaknesses, and identify appropriate action plans for themselves, then a great deal is achieved. It is strongly advocated that the emphasis should be on development rather than on assessment. A key finding in these surveys is that top executives are self developed but most certainly not born. The evidence indicates that if the assessment centre process is utilised for discussion and personal development, rather than simply labelling people as high flyers, executives with potential will naturally emerge.

Developing Effective Management Teams. Individuals require development, but so also do groups. Virtually all managers work in groups, be it functional, technical or product oriented groups. Many managers now, and even more so in the future, work in teams. Working in teams involves generating far closer, often more intensive, working relationships. Teams tend to be formed for particular reasons and hold specific objectives. Managers in a team are likely to hold clear roles and can meet their objectives only with the co-operation and assistance of other team members. Individual objectives are often subsumed by team objectives. The team members need to progress at a relatively uniform rate as their tasks can move at a substantially faster or slower pace than his/her colleagues.

Managers are likely to spend so much of their time in a team setting. Their team will involve itself in identifying longer term strategies and objectives, debating medium term problems, fire-fighting, discussing possible different objectives that divisions, departments or functions may hold and the potential problems that that creates. Hence, management teams discuss operational and strategic issues, some of which may be easy to debate openly, others far more sensitive and difficult to talk about overtly. However, it is important that all key issues are discussed and individual team members feel that their contribution is recognised and appreciated. Developing such an attribute of openness over sensitive issues is sometimes not easy, but it is necessary.

Team development should be considered as an important on-the-job development objective. The training technology for team development is similar to that discussed under self-understanding, except applied in a group setting. An innovative and stimulating approach to team development is to conduct training whilst at work. Initially, the team may require a certain amount of training away from work in a suitable environment such as an hotel or business school. From there on, training and development can take place at normal business meetings. In this way, people are learning whilst doing their job. If issues are not well handled at the meeting, the team can start again and re-appraise any decisions.

Please note, team development is an important management development tool which Northern Telecom does, and should, consider. Team development, coupled with a sensitive use of psychological tests, is the most likely way to help executives understand, thrash out and overcome their problems. Northern Telecom's matrix structure will be effective if executives understand and cooperate with each other. Blockages to cooperation can be overcome during team development training. However, for such developmental experiences to be well managed, the services of competent, professional consultants are required.

Working with Behavioural Scientist type Consultants. Utilising tests and questionnaires and developing teams requires the services of a third party, or consultant. Such an individual is likely to be a trained behavioural scientist, qualified to administer such tests, but most of all capable of providing counselling, feedback and analysis on a personal or group basis. Although such a personalised approach to consultancy has been available for some time, many executives have not made use of such a service. For many, a consultant is still seen as a person who is hired to examine a situation and then submit a report.

For effective on-the-job development to take place on an individual basis, or in a team setting, especially if tests and instruments are used, then the services of a professional behavioural science consultant are required. Such a person would need to understand the problems, issues and sensitivities between individuals, teams and units in the organisation and stimulate learning within the circumstances of that organisation. It is emphasised that such consultants are necessary, and the demand for such services is likely to increase in the future.

Presentation Skills. As executives are appointed to higher positions in the organisation, they have to make more public presentations, not only to their own staff but to outside public groups, and also on television. There is, therefore, a need to be skilled in how to make such presentations. Speaking to twenty people is not the same as speaking to two hundred, or indeed, two thousand. Speaking in a lecture theatre is not the same as speaking on television. Being able to handle difficult questions put by news reporters or television interviewers is not the same as responding to questions or making presentations in the boardroom. These are particular skills and need to be learned. Increasingly, senior executives are taking these matters seriously, for the standing of their organisation depends so heavily upon the quality of their presentations in these various arenas. It is noticeable, therefore, how many chief executives take special television training and learn how to get their message across on television in a short period without seeming to be defensive or caught off guard.

Time Given to Personal Development. Senior executives should not underestimate the amount of training they need. The world changes at a fast rate and it is easy to become out of date. It is, therefore, recommended that chief executives and senior managers should establish a policy governing their own training similar to that which is established for people elsewhere in the organisation. Just as the finances of a business have to be budgeted, so should training and development. It is sensible for chief executives and senior managers to allocate at least 5% of their time to attending external conferences and courses and keeping up to date with new issues. If they are in an industry that is subject to rapid change, such as many of the high technology industries, then we would suggest this percentage should be at least 10% of their available time.

Conclusion

Too much evidence exists to indicate that the performance of an organisation depends on the quality of its management. The quality of decisions made, the effective delivery of services or products to customers or clients and the application of appropriate after-care support, when required, all substantially depend on the effectiveness of performance of managerial and functional staff employed by the organisation.

It needs to be noted that executive development is not just training but a crucial investment for the future which could make the difference between the failure, survival or prosperity of any enterprise.

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