Management Development: A Conceptual Framework  
Based on Literature Review: A Research Agenda

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Abstract  
The contribution of Human resources to the overall organizational well-being cannot be overlooked as these resources have time and again been regarded as important assets to the organization. Organizations develop their managers with the hope that they will transfer the attained knowledge towards organizational performance. This study undertook a comprehensive review of literature on management development to establish what other researchers have established in the link between management development and organizational performance. Studies conducted on management development and organizational performance have linked outcomes such as attraction and retention of key employees, improved employee relations to improved efficiency in terms of quality of products and more contented employees and customers. Location of the firms in terms of country has also been seen to have an influence on the strategic fit and the position of management development in the overall organization’s strategy. Three theories Social exchange theory, Resource Based Theory (RBV) and Path goal theory were reviewed in demonstrating the contribution of developmental programs to the overall organizational performance. Most of the studies reviewed used descriptive research design and descriptive and inferential statistics in the analysis of data with the collection of data mainly being through the use of questionnaires and interviews. The studies were cross sectional in nature. The studies reviewed pointed out the existence of a link between Management development and organizational performance through other human resource outcomes although it’s not clear whether the enhanced performance can be attributed to management development programs alone. However some questions as to whether there is any return on the investment in the management development programs still linger and some studies saw the programs as a waste of resources. Gaps in the development programs have led to organizations seeking to get managers from outside the organization enhancing competition for highly developed managers. This study assessed literature from various studies on management development to see how it affects organizational performance. It also sought to identify any arguments and gaps that exist in the literature on the subject.

Keywords: Management Development, organizational performance, coaching, formal training programs
1. Introduction

Developing managers in organizations contributes to the attainment of goals and objectives as it helps in building the capacity of the managers it requires to meet its present and future needs (Armstrong, 2016). It involves identifying future directions for the organization and thinking through their implications for the internal structure and organization climate, management styles, personnel policies and work processes (Nzuve, 2007). The changing business environment and the emphasis on contribution of human resources to the overall organizational performance have led to management development getting more attention from organizations. Management strength can be a critical basis to attain advantage over competitors, and organizations make use of different management and leadership development programs to develop this cadre of human resource.

Organizations will put its money in management and leadership development based on the belief that once implemented, it gives significant paybacks to the individual leaders and organizations and as a result leadership skill, enhanced self-awareness and confidence, improved interpersonal and emotional management skills, and widened perspectives are some of the benefits to the individual. Despite of the large investment in management development, organizations still from time to time get managers from other organizations, there have also been questions as to whether the management development programs are serving the investment and gives any returns to the organization or just a way of acquiring knowledge and skills for own personal consumption.

Management development is one of the approaches which organizations use to ensure that managers acquire the right knowledge, skills and attitudes to be able to achieve individual goals as well as organizational goals. Increasingly managers are anticipated to take charge of their development, however, organizations also have duties in this respect, and use a variety of development approaches to develop their managers. Management development is of concern for both the individual and the organization since the programs involved are of mutual benefit to both.

The need for well-developed managers has grown over time with the growth of specialization in organizations. After the world wars one and two, the need for managers in organisations was growing and therefore the need for top managers was increasing as well. The wars had taken a toll on manpower development within organizations and therefore there were few experienced managers. There was also a lack of personnel qualified to be promoted to top management. Arising out of this, organizations developed formal programs for managers to fill this growing gap. The use of the word management development therefore arose for the first time during this era.

During the 1950s management development was regarded as a tool for succession planning and therefore the era was characterised by succession programs where personnel were groomed to take up positions immediately they fell vacant. The explosive growth of organizations in the 60’s and the early parts of the 70’s saw an increased interest in management development programs. This era was still characterised by succession planning programs with managers who had specialised training being ready to take up higher responsibilities whenever the chance occurred. Programmes run by specific schools and classical methods including job rotation and coaching were used then and are still being used to date. A number of the organizations having good management practices relied only on these approaches (Swanson & Holton, 2001).

The late 70’s and 80’s saw an increased attention to Management Development where large as well as medium sized organizations developed interests systems which could be used to develop their managerial capabilities. The introduction of HRD in the early 1980s, gave some weight to development of Human resources and several foci have emerged around the world. The Americans have focused on a performance outcomes paradigm where they concentrate on the development of individuals to back organisational performance results (Swanson & Holton, 2001) while the British focused on a learning and development which emphasised on enhanced training and development (Garavan, Heraty, & Barnicle, 1999).

The shift in focus by organization to the demand for employees with high prospects who could provide extraordinary performance at work drove the progress of management development in the
Policies on talent management aimed at attracting, developing and retaining personnel were formulated within organizations to address the perceived shortage of qualified staff. The recognition of the need to have a well prepared group for the future leadership of the organization has been seen by management and boards of management in organizations as an important business significance (Oppong & Gold, 2013). The driving forces behind the focus during this era was the impending retirement of the baby boomers from the workforce, the skills gap was widening as a result of declining education standards and a number of approaches being used to develop skills were seen to be outdated and in effective. (Deloitte, 2005).

The importance of management development in Africa has also been resounded by Oppong (2013a) where he points out that there is a gap in the availability of well trained and well developed managers especially native management which in turn impacts on the economic progress of the continent. It’s therefore clear that MD should be a powerful priority tool of management effectiveness for accelerated economic development.

2. Literature Review

The concept of Management Development has attracted diverse attention from different academicians concerning the various constructs and organizational performance. Some of the available literature have concentrated on Management development and employee commitment, effects of variables such as size, location and culture on MD and organizational outcomes.

2.1 Theoretical Review

Different researchers have used different theories to show the connexion between management development and organizational performance. Research proposing a social exchange view point out that there is an affirmative relationship between organizations’ investment into development and the beneficiaries’ positive attitudes toward the business. Blau (1964) defined a social exchange relationship as involving unspecified obligations where the recipient is obligated to return favours in future. These favours are however made at the discretion of the one who makes it and is therefore often ambiguous. The exchange can therefore be impersonal e.g. financial or socio-emotional e.g. care, respect, and loyalty (Aselage & Eisenberger, 2003). This can arouse feelings of personal duty, gratitude and trust (Blau, 1964).

A feeling of mutual reciprocity is enhanced when the recipient reciprocates and subsequently a series of exchanges occur (Coyle-Shapiro & Shore, 2007). When applying social exchange theory to the link between HRM and performance, the proposed idea is that organisations that invest in their employees, will experience employees reciprocating these investment with efforts directed towards the organisations’ benefit and interest. Employees will create comprehensive views concerning the extent to which the organization prices their contributions and cares about their well-being, and they then consequently counter organizational interventions(Eisenberger, Huntington, Hutchison, & Sowa, 1986). In order to get the intended possible work related attitudes and behaviours, the benefits given by the organization needs to be seen to be of valuable to the employees (Gouldner 1960, Blau 1964, Eisenberger et al, 1986.) In applying this theory to management development idea is that organisations that invest in their employees, will experience employees reciprocating these investment with efforts directed towards the organisations’ benefit and interest. In developing managers it is anticipated that as a way of paying back, they will direct their efforts towards better performance of the organization.

The resource-based view of the firm points out that internal knowledge, regarded as some of the organization’s key resources, is an essential basis for competitive advantage (Wernerfelt, 1984; Hendry & Pettigrew, 1990; Barney, 1991; Leonard-Barton, 1995). The resource-based view of the firm propose that core competencies should be directed and through internal development (Burgoyne & Jackson, 1997; Lepak & Snell, 1999). It is generally accepted that competitive advantage once thought to be external to the organization is actually also internal to the organization (Ulrich & Lake, 1990;
In modern business environment, highly developed managers are prized, exceptional and hard to replicate and cannot be easily replaced. If properly managed, they can be the most valuable asset of any organization (Rausch, Sherman, & Washbush, 2002; Wright and Ferris 1996). Contrary to common knowledge, some researchers argue that both resources within and outside the organization may be used for Management development due to the fact that competitiveness of an organization is achieved through use of different sources of knowledge and not only that stems from the organization (Pfeffer, 1994; Leonard-Barton, 1995; Nahapiet & Ghoshal, 1998; Nonaka, 1998; Davenport, Prusak, & Wilson, 2003.). They point out that the establishment of a good link between existing knowledge and acquired knowledge and in-house knowledge and outside knowledge amongst others is what enhances progress of the organizational knowledge about management and development.

According to RBV, the attainment of organizational efficiency includes developing capabilities and connecting particular competencies together through better communication, cooperation and synchronization in order to attain goals e.g. through building organizations’ scarce resources, valuable, non-substitutable and hard to imitate resources assumed to contribute to competitive advantages. Since efficiency has some association with specialization, unity and clarity, Management development programs can be key in relation to these aspects. Some studies have pointed out that knowledge which is valuable, rare, not easily imitated and not substitutable will lead to improved performance (Barney, 1991) and have supported the right relationship with competencies in terms human and social capital on performance (Decarolis & Deeds, 1999; Hitt, Bierman, Shimizu, & Kochhar, 2001; Bontis, Crossan, & Hulland, 2002; Mabey & Ramirez, 2004). It is however important to note that it is only knowledge that is relevant that has some significant effect on performance (Mabey & Ramirez, 2004). Proper planning of management development interventions will result in having first-class managers who are prized, exceptional, and difficult to replicate, and not subject to replacement. This will therefore give the organization a competitive edge over other organizations.

The path goal theory originally presented in management and organization literature in 1970s by Evans (1970), House (1971), House and Dessler (1974), and House and Mitchell (1974), the Path-goal leadership theory was reformulated in the late 1990s by House (1996) concentrates on the managerial roles of leaders and their influence on work based motivation and performance within organizations and strive to explain how managerial coaching behaviour affects job attitudes and performance. It therefore gives a suitable theoretical framework for the current study. Managers enhance motivation when they make employees’ pathways to the goals clear and easy to follow through eradicating barriers and obstructions, providing bearing and guidance, and satisfying employees’ needs at work (House & Dessler, 1974; Northouse, 2001). According to path-goal leadership theory (House, 1996), when managers and leaders exhibit effective management and leadership behaviour, employees generally respond with positive attitudes and performance-related reactions.

Managerial elucidation of and backing for individual results during coaching sessions may present the chance for managers to bring to par themselves and their subordinates to organizational goals (House, 1996; Peterson & Hicks, 1996). Subsequently, increased role clarity can enhance employee satisfaction with work and overall job performance effectiveness (Jackson & Schuler, 1985; House, 1996.). Managerial coaching may also directly influence employee morale by describing managers and leaders as a resource to eliminate obstructions and barriers, personalize devotion and consideration, or provide a clearer job structure (Ellinger & Bostrom, 1999; Ellinger et al., 2003; Hargrove, 2008). In suggesting that employees will be motivated if they feel that they are empowered enough to perform organizational tasks and that their efforts will result in valued results, the path-goal theory supports the management development approach in that well developed employees will be motivated enough and will have the confidence to work towards achieving the organizational goals.
2.2 Empirical Review

Several Human Resource Development (HRD) scholars (Clardy, 2008; Tseng & McLean, 2008; Alagaraja, 2013; Alagaraja Cumberland & Choi., 2015) studied and worked towards establishing the link between HRD and organizational performance and effectiveness. The main areas of HRD are recognized as training and development, career development and organization development (Ruona & Gibson, 2004). As per Alagaraja et al. (2015), there are five key methodologies for scrutinising the linkage of HRD and organizational performance and effectiveness and they include best-fit model which is based on organizational strategy, the best-fit approach based on the features of the subject organization, best-practice model which is based on comparison with what other organizations have adopted and the mixture of best-fit approach and best-practice model which is based on the perception of the stake holders.

Studies evaluating the individual impact of Management Development on organisational results are fewer in number, but strongly suggest that the investment is worthwhile (Frayne & Geringer, 2000; Winterton & Winterton, 1997), and that a conditional rather than a universalistic, approach is likely to lead to greater performance impact (Mabey & Gooderham, 2005). Mabey and Ramirez (2005) sought to find out whether the views of success of management development efforts differed as a result of stakeholder involvement and if the findings from different countries could confirm whether the report by line managers on Management Development undertakings could be important in predicting enhanced effectiveness in an organization. Some studies criticise management development for being a game of meaningless outcomes (Clarke, 1999), however some demonstrate the positive relationship between management development and firm performance (Harold, 2000; Lee, Phan and Tan, 2003; Mabey & Gooderham, 2005).

Mabey and Gooderham (2005) through their study established the impact of management development on perceptions of organizational performance in European firms. The study which was based on interviews with human resource development and line managers in the firms, with contextual factors like sales turnover, size and country explained some variance in perceptions of performance. The degree of difference explained is substantially enhanced when variables are introduced, which show the way management development is regarded and implemented within the specific organization. Causative path analysis shows that a complimentary strategic fit and organizational fit considerably foretells line manager perceptions of the importance given to management development, which in turn, separates the well performing companies from the poor performing ones. Other studies have noted the likely impact on Management Development engagement of core barriers such as managerial attitudes for example, negative or positive (Admiraal & Lockhorst, 2009; Antonacopoulou, 2000), lack of self-esteem, insecurity and lack of confidence (Fuller-Love, 2006), and self-efficacy that is, confidence in one’s own ability to cope with challenging situations (Brown & McCracken, 2009).

Than, Trenberth and Conway (2006) in their study sought to explore the links between management development and organisational performance through data collected from organisations from six European countries and Organisations from Asia including Singapore, Hong Kong, China, and Myanmar. The researchers used variables such as location, HR outcomes, strategic fit and line manager’s perspectives. The results indicated that management development was considerably linked with positive human resource management outcomes which in turn contributed to organisational level performance outcomes. Location (i.e., Europe versus Asia) had a significant direct effect on the strategic fit, the organisation’s strategic view of management development, the management development system and Human Resource outcome from both human resources managers’ and line managers’ perspectives.

Marion O’Connor, John Mangan, John Cullen, (2006) considered the issue of alignment of management development needs to business strategy, the usage of management development methodologies, the development of great potential managers and the apportioning of responsibility for management development amongst the HR/training management population in Ireland. The results
show that organisations are both concerned for their management population, see their development as important and are willing to invest in them. Organisations try out with the usage of numerous developmental activities and are particularly aware of the benefits achieved from informal methods. Also observed was the use of planned and impromptu approaches to management development. Vastly trained managers who easily adapt to diverse situations, manage a wide array of relationships, formulate and implement programs are a key source of firms’ competitive advantage. With about 70 percent of managerial skills being attained through on-the-job practices (Robinson & Wick, 1992), developmental tasks are the major source of managerial learning, more important than other development practices such as training (McCauley, Ruderman, Ohlott, & Morrow, 1994). According to CIPD, 2010, developmental assignments are among their three most effective development methods, after in-house development programs and coaching.

In the same order, developmental assignments increase the beneficiaries’ chance of being employed in the external employment market by improving their on-the-job learning, leadership skills, and managerial proficiencies (Becker, 1962; DeRue & Wellman, 2009; Dragoni, Tesluk, Russell, & Oh, 2009; Preenen, De Pater, Van Vianen, & Keijzer, 2011).

Mabey (2008) using an interpretivist design, did a comparative study targeting the human resource development manager and a line manager in a number of domestic and multinational organisations in four European countries, patterns of management development (MD) are found to differ according to country and, to a lesser extent, by international strategy. The study found that HRD managers in MNEs are considerably more likely to encounter a comprehensive range of internal MD systems than their domestic counterparts. An assessment of the outcomes of Management Development in some United Kingdom organizations revealed that 69% of the firms examined recognized effects on non-financial organizational performance, including improved morale of staff, an enhanced reaction and greater flexibility shown by managers, and general progress in quality leading to greater customer loyalty (DfEE, 1998). These outcomes may however be difficult to quantify and therefore cannot be said to be attributed to Management development only, there is a high likelihood that these positive reactions will in the long run contribute to improved performance at organizational level.

Most of organizations use a combination of different management development undertakings (Weiss & Molinaro, 2006). The most common comprise mentoring, where a more experienced and trained person assists another on personal development, coaching, which involves help from a master in a particular area of specialization to develop required skills; formal training to advance knowledge and skills; direction and frequent career and performance related sessions with support from the direct supervisor and career related backing and direction with support from senior management in the organization.

Sheehan (2012a) used variables such as management development system, management development ethos, importance of management development and provision of management development and human resources system to determine the relationship between talent management and organizational performance in UK owned MNC’s. Payambarpour and Hooi (2016) used the same variables but in the context of the ten best global MNC’s as ranked by Fortune magazine 2013 where they studied the effect of management development and human resource system on organizational performance with employee engagement being the mediating variable between human resource system and organizational connection. In Payambarpour and Hooi (2016), the findings of the study on the effects of management development on organizational performance agreed with that of Sheehan (2012a) and Payambarpour (2015). The findings show that management development ethos, importance of management development and provisions of management development have a positive and significant effect on performance. However their findings on the management development system showed a negative contribution to organizational performance which differs with that of Mabey and Ramirez (2008) who concluded that management development system contributes positively to organizational performance.
According to Kuvaas and Dysvic (2010), an organization’s investment in management development can be regarded as a means to improve employee commitment thus the mediating effects of turnover intentions, job satisfaction, discretionary effect and emotional commitment of employees which will ultimately lead to better organizational performance.

Oppong (2017) sought to evaluate the management development programs in the Ghanaian mining industry with regard to implementation of the programs where national managers are developed with the intention of taking over from expatriates. The study revealed that MNC’s are not ready to design and implement MD programs due to power, cost of programmes and risk of job loss to subordinates as well as senior national managers preventing the development of other national managers.

The studies point to the fact that management development through various variables such as location, size, strategic fit, managerial perception, managerial support and managerial competencies have a positive link with human resources outcomes such as high morale and contented employees which in turn result in the overall organizational performance. Questions however still linger on whether the investment put in management training is worth it and as to whether the outcomes can be attributed to management development only or to other factors within the organization. Developmental approaches are also varied and it is not clear as to whether the planned or impromptu programmes or the formal or informal programmes work better. Issues such as succession planning which is key to the availability of well trained personnel in the present circumstances and in future has not been highlighted in the reviewed studies. Legislation with regard to training and development has also not been considered.

3. Methodology
Through a desktop review, the researcher did a review of literature to establish the evolution, key variables, theoretical and empirical literature on management development and its impact on organizational performance. The researcher also sought to identify gaps in research. Based on the identified research gaps, the researcher proposes to carry out research on management development programs within the Kenyan public service to establish the relationship between the variables in the conceptual framework. Based on positivist philosophy, the study will adopt an explanatory design. Stratified random sampling will be used to get the sample so as to ensure that the picked sample is representative of all the different categories of organizations within the public service to ensure generalization of the end result. Data will be collected from managers within the organizations as well as from the general population who are the clients to the said organizations. The data collection will be done through face to face interviews and questionnaires. Most of the reviewed studies on management development have used a combination of descriptive and inferential statistics due to the need to describe variables as well as draw conclusions and make recommendations, the proposed study will therefore adopt similar methodology to analyse and present the collected data. This will ensure the explanation of the various variables as well as expounding on the correlations.

4. Research Findings
From the literature, there is a general consensus that there is some link between management development and organizational performance. Management development can be a source of competitive advantage for both the individual and the organization in that a well-developed manager gives the organization a competitive edge in terms of knowledge put into practice, skills applied and changed attitudes which may contribute to better performance within the organization. The managers who are well trained and developed will plan and implement better ideas and may easily adapt to changes thus the competitiveness. A well trained and developed manager is also attractive to the
external labour market and therefore competitive at the individual level (DeRue & Wellman, 2009; Dragoni, Tesluk, Russell, & Oh, 2009; Preenen, De Pater, Van Vianen, & Keijzer, 2011).

The alignment of the management development strategy with the organizational strategy is seen as key in the success of the developmental programs as it points out the place of management development within the organization which in turn impacts on the manager’s perception of the developmental processes. The management development strategic fit is what separates better performing organizations from the poor performing ones (Mabey & Goderham, 2005).

Different organizations employ different approaches to the development of their managers (Weiss & Molinaro, 2006), but the most common ones include coaching, mentoring, formal in-house programs and on-job trainings. Most of the studies did not consider factors external to the organizations as well as majority of the external developmental programs, both formal and informal.

5. Conclusions and Recommendations

5.1 Conclusion

In line with existing literature, it is evident that there is a connexion between management development programmes and organizational performance through other human resources outcomes, however some researches still view it as a game of meaningless outcomes. It is also not clear whether the outcomes can be attributed to management development processes alone or are as a result of other factors. The literature reviewed supported the view that there is still a gap in the area of comprehending why organizations use a substantial amount of money in the development of their managers and point out the need for further research on this aspect.

Most research did not look at the entry performance in terms of individual assessment of the managers before undertaking a management development intervention. They also reiterated the need for research on how managers learn from informal developmental experiences. Most researches have been done in Anglo-American, European and Asian contexts and a few studies have been done on the application of Management Development outside these contexts.

5.2 Recommendations

The aim of the desktop research was to identify research gaps on literature on Management development with a view of coming up with a research agenda. A lot of research has been done however there are still gaps which still need to be researched on. As such some of the areas which can be considered in future research include the impact of the entry behaviour of managers into developmental programmes on their overall output, the studies have concentrated on MNE’s in developed countries and therefore there’s need for more studies on local enterprises and organizations within the public sector in developing and less developed countries.

Some of the objectives for management development is the availability of well-developed managers for the present and future assignment thus it is critical for succession planning within the organization. The reviewed studies didn’t indicate the impact of succession planning on organizational performance.

There is need to focus on both the individual and the organization in the assessment of management development and organizational performance. The studies were rarely longitudinal with most of them being cross sectional. Future research may adopt longitudinal approach to assess the impact of the developmental programs over time. Based on the identified gaps, a conceptual framework is proposed as indicated in figure 1 below:
5.3 Proposed Conceptual Framework

Figure 1: Conceptual framework

![Conceptual Framework Diagram]

<table>
<thead>
<tr>
<th>Management development</th>
<th>Dependent Variable</th>
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<tbody>
<tr>
<td>Coaching</td>
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<tr>
<td>- Coaching culture</td>
<td>• Employee performance</td>
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<tr>
<td>- Managerial competencies</td>
<td>• Customer loyalty</td>
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<td>Succession planning</td>
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<td>- Implementation of programs</td>
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<td>- Top management commitment</td>
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<td>Formal developmental experiences</td>
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<td>- E-learning programs</td>
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<td>- Internal training</td>
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<td>Management development system</td>
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<tr>
<td>- Developmental needs</td>
<td></td>
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<tr>
<td>- Evaluation of MD programs</td>
<td></td>
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</tbody>
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Moderating Variable

- Labour laws

Source: Author (2018)

References


