

REPORT

Assessing management training needs in Central and Eastern Europe

Survey of selected enterprises in Slovenia



European Training Foundation



CEEMAN



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The European Training Foundation is an agency of the European Union which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories. The Foundation also provides technical assistance to the European Commission for the Tempus Programme.

This report was prepared with the financial assistance of the European Training Foundation. The views expressed herein are those of the contractor and do not necessarily represent any official views of the Foundation.

Assessing management training needs

Slovenia

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Foreword CEEMAN reports

This report is one of a series prepared as an integral part of an international research project on 'the Assessment of Management Training Needs at the Achieved Level of Transition' in various Central and Eastern European countries. The project was implemented by the Central and East European Management Development Association (CEEMAN)¹ and was sponsored by the European Training Foundation². The Foundation also contributed its expertise to different stages of the project.

To date the project covers selected enterprises in five countries (Bulgaria, Poland, Romania, the Russian Federation, and Slovenia) and concentrates on the issue of management training needs in manufacturing and service sector enterprises. All in all, the project surveyed a total of 82 enterprises and 564 managers between July and December 1998. The aim was to understand training processes, approaches and practice in order to evaluate how training has been used as a response to evolving business needs and how it can be further developed in the future.

The questionnaires used for this survey are included in the cross-country report which has also been prepared. Further copies of this report and the others can be obtained directly from the European Training Foundation or downloaded from the web site on <http://www.etf.eu.int>.

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- 1 CEEMAN is an international network comprising 122 members (including business schools and enterprises) from 32 countries with the aim of enhancing management development in Central and Eastern Europe. The headquarters is in Slovenia. Further information can be obtained from www.ceeman.org.
 - 2 The European Training Foundation is an agency of the European Union which works in the field of vocational education and training, including in particular management training, in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories.

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Summary

This report is an integral part of the international research project on “Assessing Management Training Needs in Central and Eastern European Countries at the Achieved Level of Transition.” The project, which was sponsored by the European Training Foundation, Turin and implemented by the Central and East European Management Development Association (CEEMAN), included five countries in the region: Bulgaria, Poland, Romania, Russia, and Slovenia. This report presents the results of the survey carried out in Slovenia.

The survey was carried out in 19 companies in Slovenia (ten from the manufacturing and nine from the services sector) and involved a total of 84 managers from three different target groups: general managers, human resources managers and individual managers occupying different managerial posts and performing different tasks. The survey was primarily quantitative in nature, relying on a set of three different, but inter-related, questionnaires for the three target groups. In addition, the research team conducted a series of interviews and discussions with company managers. It also used the results of previous relevant research projects.

The main purpose of the project was to assess management-training needs in the context of the business challenges faced by the enterprises surveyed. Such an approach required an evaluation of the strategic responses being developed by company management to cope with those challenges. It also required an assessment of current managerial capabilities and the roles played at various levels of management. In assessing management training needs and formulating appropriate training inputs, due attention was also paid to the experience gained and lessons learned from previous individual and company training programmes. Learning habits and preferences were also analysed and taken into consideration.

Main findings

Transition level achieved

- Slovenia retains a clear lead over the other countries in transition, with a stable GDP growth rate of 3-4% annually, and per capita GDP above US\$12,000. Inflation and the unemployment rates have been declining.

- In the last 10 years, Slovenian enterprises have faced three challenges: the loss of markets in former Yugoslavia; the privatisation process and associated radical social and economic changes; and the challenges arising from global megatrends and changes.
- Responding to those challenges, the Slovene economy succeeded in directing 2/3 of its exports to the EU and the privatisation process had been practically accomplished by 1998. Now, with approaching integration into the EU, the key issue is to increase value added and to achieve a solid strategic position in an increasingly competitive and demanding environment.
- The enterprises covered by the survey fit into the overall dynamics and direction of the transition process. They are a relatively representative and well-balanced sample. The managers' sample, in particular, appears to be both representative and relevant.

Challenges and strategic responses

- Enterprises are increasingly, yet still insufficiently, aware of the challenges.
- The existing strategic projects require significant managerial effort and talent.
- General managers believe that strategies are shifting towards "soft" elements.
- However, prevailing approaches to human resource and management development issues do not seem to fully support the above statement.
- Relatively low external mobility and high reliance on internal managerial talents render realistic assessments of current managerial capabilities and existing gaps crucial if essential management training is to be evaluated.

Assessment of management capabilities

- According to general managers, the greatest capabilities are concentrated at the top management level. Professionals come second, while talented young executives are evaluated more highly than middle and lower level managers.
- The managerial and leadership qualities of the two non-managerial groups (talented young executives and professionals), who are engaged, for the most part, in the performance of operational tasks, appear to be under-utilised to a considerable extent.
- General managers insist on professional roles for their managerial staff, while largely reserving managerial, and particularly leadership, roles for themselves and for board members.
- In contrast, individual managers consider their main role to be, largely, one of leadership.

- None of the groups of managers sees narrow managerial roles as particularly important given what the “normal” workload of a manager is supposed to be.

Assessment of management training needs

- General managers see functional training as the main priority in respect of both problems and opportunities. This is consistent with the primarily professional role which they associate with almost all managerial levels.
- Human resources managers, though largely sharing the general managers’ views, pay more attention to leadership and general skills and related training programmes.
- Individual managers seem to feel a need for greater balance in the knowledge and skills they need to support both their current roles and workload and those they expect to have in the future. They emphasise the need for managerial skills to perform their current roles, while focusing on professional and leadership training for their future roles.
- There are no significant differences in the lists of concrete training programmes suggested by the three target groups of managers, since all three groups favour programmes which provide training, primarily, in managerial and leadership skills.
- Most importantly, general managers give highest priority to training in human resources management and view this area as the most problematic.

Past experience and lessons learned

- The volume and scope of training is impressive, with each manager surveyed attending an average of 7 training programmes in the last 5 years. Practical topics dominated, with the recent emergence of more intensive training in leadership and general skills. Specifically managerial issues remain somewhat neglected.
- Short public seminars and in-house training programmes are the preferred types of training. More than one-quarter of training is carried out in-house, while around 10% takes place abroad. Preferred types of training are consistent with the prevailing learning habits and principal sources of learning, which are both rather traditional and formal.
- Prior experience is the main criterion for selecting training providers. Consultancy firms seem to be by far the most important training providers, followed by business schools and management development centres. Foreign partners are a more important source than the firms themselves, while knowledge and skills are only rarely sourced from customers and suppliers. Training services are generally sourced and contracted on an ad hoc basis.
- Training needs are identified primarily in the context of departmental tasks or company strategies. In selecting training programmes, the principal criterion is the anticipated learning output and its relevance to the company’s strategy. Senior managers and human

resources managers are the main actors in trainee selection, although personal initiative is gaining in importance, particularly in the services sector.

- Measurement and evaluation systems are either non-existent or very poor. Companies claim to diffuse new knowledge and skills, primarily through team-work, but individual managers believe that added value from the personal level, via the departmental level, up to the level of the company as a whole, is actually decreasing.
- Human resources functions remain concentrated on staffing and other traditional, mainly administrative, activities. In most cases, the human resources department is far removed from the real centres of power and strategic decision-making. External facilitators are rarely used to identify training needs or to help set up and use management development systems.

Main conclusions

The above findings lead to the following **main conclusions**.

The attention paid to management training and human resource development in Slovenia has been growing and has already reached a respectable level. Changes in the overall pattern of management training reflect developments in other aspects of the transition process. Nevertheless, some inconsistencies are apparent:

- companies in general underestimate the magnitude and nature of the challenges they face;
- strategic projects and a general shift towards “soft” elements require a much higher reliance on the human factor in general, and on management and leadership capabilities in particular;
- management capabilities are judged, primarily, in terms of professional skills and expertise;
- people are stated to be a priority, but investments in human resources and management development remain relatively low and, more importantly, are neither systematic nor directly linked to challenges the companies face and strategic responses to them; and
- the human resources function is still predominantly administrative, inward-oriented, and lacking the know-how and strategic insight to become what it should be – a key, strategic management factor.

Main recommendations

The **main recommendations** are presented in the form of *issues*, in the resolution of which all learning partners have a role to play and from which they can each learn their own lessons.

- There is still a need to improve the overall understanding of the role of management and leadership, in general, and, specifically, in the context of the major changes and challenges facing Slovene society.
- There is also a need to improve the understanding of the various components of overall management capabilities (knowledge, skills and competencies, values and attitudes) and to relate them to the different (professional, managerial and leadership) roles played at various managerial levels.
- There is a tremendous need for a project-centred approach, with concerted and coordinated actions directly linked to the main business challenges and strategic responses to them.
- There is also a need to establish a general service culture and to foster a new mentality focused on customers' needs.
- Responsibility and accountability are of utmost importance, but it is impossible to develop them in the absence of appropriate measurement, evaluation and ROI systems.
- As for the training needs in particular, much more dialogue is needed (both internally and externally), not only in the implementation phase but, above all, when identifying needs and designing responses to them.
- The human resources function is obviously a crucial strategic factor, both internally and externally, and needs to develop its own management capabilities. Some suggestions in this regard can be found at the end of the report:

Human resource development should start with the development of the human resource function.

1. Introduction

This report is part of an international research project on “*Assessment of Management Training Needs in Central and Eastern European Countries at the Achieved Level of Transition.*” The project, which was sponsored by the European Training Foundation, Turin, was implemented by the Central and Eastern European Management Development Association. The project included five countries from the region: Bulgaria, Poland, Romania, Russia, and Slovenia. It addressed the issue of management training needs in the manufacturing and services sectors.

This report deals with the results of the country survey carried out to assess the training needed by enterprise managers in Slovenia in order to meet market requirements, face international competition and contribute to the growth of their companies.

The aim of the report is twofold. On the one hand, it is intended to provide valuable information on past experience, present practices and planned and/or contemplated new approaches in management training in Slovenia. However, the report is also intended as one of the five building blocks upon which a separate cross-country survey will be based. This survey will provide a comparative analysis, as well as more general findings, conclusions and recommendations.

The report is, therefore, intended for various target groups.

Enterprise managers can use the report to examine their own approaches, practices and results through the prism of prevailing general trends and practices in their respective sectors and draw relevant findings and conclusions. In this context, the report provides solid material from which various lessons could be drawn by different groups of managers: general managers, human resource managers and managers dealing with different managerial functions or performing different managerial and/or leadership tasks.

Providers of management training services can use the report to gain valuable insights into the demand side of the key issues and problems related to the complex process of management training. Since the survey covered not only the content, but also the process aspects, of management training, as well as issues related to the roles and expectations of the various actors involved, providers of management training services could draw a number of practical lessons regarding future approaches and development activities.

Given the increasingly important role of enterprise managers in implementing the transition process at country level, as well as the fact that the human factor in general has become a critical factor in overall economic and social development, this report is intended to provide

relevant information for *policy-makers* dealing with various aspects of education, training and general development.

The findings, conclusions, and recommendations contained in this report could also be an invaluable resource for various *donors* involved in the process of management training and development in Slovenia and in Central and Eastern Europe as a whole.

Finally, the report is also intended for the *research community*. As one of the first, if not the first, internationally organised efforts to assess management training needs from the demand side, it may inspire further research work in this area. This is very important, not only because there has not been sufficient research in this field, but also because management training needs are change continuously. Changing training needs reflect on-going changes in managerial approaches and practices, which, in turn, are a response to increasingly complex challenges stemming from fundamental changes in the business environment.

The practical value of the report is based on the *research methodology* and the way the report was produced. The research team of national experts from the five countries involved held two meetings in which they discussed, modified and refined the research methodology. This methodology was designed to rely mainly upon *quantitative surveys*, based on three questionnaires for three different target groups: general managers, human resource managers and individual managers performing different managerial functions and/or tasks within the enterprises surveyed. The team also considered the results of several pre-tests. They agreed to combine quantitative results with some additional *qualitative analysis* based upon interviews and discussions with company managers and to incorporate the results of previous, similar and/or relevant research projects.

To facilitate uniformity in the way managers responded to the questionnaires, the IEDC Brdo organised two high level seminars on the latest management trends in the manufacturing and services sectors. These seminars were used to give the participants direct instructions on how to complete the questionnaires and to meet the requirements of the research methodology.

The information and the data from the questionnaires, as well as additional information obtained through various forms of direct contact, were processed using specifically designed software. This facilitated complex cross-issue analysis, as well as consideration of certain key management training issues through a comparative analysis of the views, attitudes and opinions of different groups of managers (individual managers, human resource managers and general managers).

Finally, the results are *presented* in such a way as to relate management training needs directly to the main business challenges faced by enterprises and to the responses being developed and implemented by enterprise management at all levels. Due attention was also paid to a critical analysis and evaluation of previous training experiences and to the lessons learnt from them.

There are seven chapters, in addition to this introductory chapter, in the report.

Chapter 2 provides an overview of the transition process, both at country level and at the level of the manufacturing and services sector enterprises covered by the survey. In addition to describing the pace and direction of the current transition process and the challenges yet to be faced, this chapter also introduces the survey sample and assesses its representativeness.

Chapter 3 deals with the main business challenges facing the enterprises surveyed. The strategic responses of their management are described in some detail and this provides information on the focuses and shifts in strategic thinking. This chapter also shows the extent to which management training and human resource development activities are incorporated and integrated into general strategies at the company level.

Chapter 4 assesses current management capabilities from two different points of view. On the one hand, general managers were asked to assess the capabilities of managers at different levels in terms of three different components: functional skills, core managerial skills and personal and leadership qualities. Individual managers were also asked to assess their own capabilities in the same areas. Both viewpoints are further elaborated by evaluating the three roles which managers may perform now or in the future: the roles of professionals, managers and/or leaders. This competency vs. role analysis is followed by the individual managers' views of the impact that additional training efforts could have on improving their overall managerial capabilities.

Chapter 5 contains detailed information and data on past management training efforts. The analysis is quite comprehensive. It addresses the issue as a whole and includes both content and process. It also provides an insight into the varying characteristics of the different actors involved. Thus, valuable information and data are provided on:

- the amount of management training provided and the levels of coverage and investment;
- the content and concentration of training programmes;
- the training process itself, including learning habits;
- the providers of management training services;
- the criteria used to select programmes, trainees and providers;
- the use of special programmes and approaches, particularly those related to in-house training programmes; and
- the various methods, techniques and mechanisms used to assess training programmes and their results.

Chapter 6 assesses training needs. This issue is covered from three different perspectives:

- that of general managers, which reflects the general strategic orientation of surveyed enterprises;

- that of human resource managers, which reflects their own understanding of how the human resources function is, or should be, integrated into general strategies; and
- that of the most critical group, the individual managers, which reflects their perception of their own training needs.

A particularly important element of the last of these is the list of concrete training programmes suggested by individual managers, which includes an indication of the types of training, the methods and the training providers they prefer. In this respect, their current learning habits and sources of learning are also touched upon. The programmes were selected on the basis of anticipated changes in the roles that individual managers expect to play in the future and of corresponding changes in the focus and content of their work. They are also assessed in light of the correlation between the learning outputs that individual managers expect and the anticipated value of these outputs to their organisational units and to the company as a whole. Given the role of general managers and the importance of their attitudes towards management training in general, their personal training needs and learning habits are also discussed.

Chapter 7 gives an overview of currently planned and/or contemplated training strategies and actions. This chapter summarises relevant data from previous sections and includes some estimates of the investment required for the management training that is planned for the future.

Chapter 8 concludes the report. It contains a number of recommendations directed at different actors:

- enterprises and their general managers, human resources managers and individual managers performing different tasks at various managerial levels;
- training providers;
- policy makers; and
- donor institutions that are, or might be, involved in management training and development in Slovenia.

2. An overview of the transition process and results achieved

2.1 *The transition process in Slovenia*

In all regional economic analyses, Slovenia maintains a clear lead over the other countries of Central and Eastern Europe. Publications from sources such as the World Bank, EBRD, and Global Economic Forum³ have identified Slovenia as the most competitive of all then countries in transition and the country consistently receives a top ranking from agencies like S&P.

Slovenia was by far the most prosperous of the former Yugoslav republics, with a per capita income of more than twice the national average. It also benefited from strong ties with Western Europe and suffered comparatively little infrastructural damage during the dissolution process.

Political problems and the onset of war in former Yugoslavia in 1991 significantly decreased Slovenia's ability to serve markets in other Yugoslav republics, while the fall of COMECON slowed down trade with the countries of Eastern and Central Europe. As a result of these developments, the Slovenian economy fell into deep recession. Real GDP fell by 15% during 1991-92, while inflation jumped to 247% in 1991 and unemployment topped 8% - nearly three times the 1989 level.

The turning point came in 1993 when real GDP grew by 2.8%, unemployment levelled off at about 14% and inflation fell dramatically to 23%. From 1994 to 1997, the main macroeconomic indicators remained relatively stable, reflecting the government's and the central bank's policy of maintaining relatively high growth and slowly reducing inflation.

However, due to political compromises by the ruling coalition, the period 1996-1997 is generally seen in a rather less favourable light. By the end of 1997, GDP per capita (PPP) reached US\$11,633, the highest in Central and Eastern Europe. Prospects for the coming years appear good, with economic growth expected to increase slightly (to 4-4.5%), while unemployment and inflation are set to fall slightly.

³ A good example of detailed benchmarking can be found in the *"Economies in transition competitiveness report"* IMD Lausanne, 1993; although prepared some time ago, it still presents a relatively accurate overview of the situation in the region.

Table 1: Main macroeconomic indicators in Slovenia, 1991-1997

	1991	1992	1993	1994	1995	1996	1997
GDP growth rate	- 8.1	- 5.4	2.8	5.3	4.1	3.1	3.0
Inflation (year end)	247	93.9	22.9	12.3	8.6	8.8	9.4
Balance of payments (US\$m)	129	926	192	540	-36	39	70
Unemployment rate	8.2	11.6	14.4	14.4	13.9	13.9	14.4
Budget deficit as % of GDP	0.0	0.0	0.3	-0.2	0.0	0.3	1.1
Public spending as % of GDP		45.6	46.7	46.1	45.7	44.9	46.2

Source: *Gospodarska gibanja (Economic Trends)*, Ljubljana, 292/1998, p.25

Price and trade liberalisation, extensive industrial restructuring and banking reforms have taken place alongside successful stabilisation at the macroeconomic level. Even in the former Yugoslavia, extensive, small-scale, private activities existed and almost all small-scale trade and service activities were under private sector control. Under the new reform programme, a comprehensive, large-scale, mass privatisation programme of 'socially owned' enterprise was launched.

By mid-1998, less than 2% of companies were still awaiting formal privatisation. This was due, mainly, to unresolved claims for denationalisation of part of their assets or to the initiation of bankruptcy proceedings. Privatisation of 'socially owned' enterprises was regulated by legislation passed in 1992. Slovenia, like the Czech Republic, opted for "voucher" privatisation. Each Slovenian citizen received up to DM 20,000 worth of vouchers (called "ownership certificates") and was free to purchase stock in companies of their choice when they were being privatised. Alternatively, they could put these vouchers into special investment funds which were set up to manage ownership certificate portfolios.

The privatisation legislation provided for a maximum of 40% of the shares in each company to be made available to current or retired employees in exchange for their certificates. A further 40% of the shares had to be transferred to three funds: 20% to the Development Fund, 10% to the State Pension Fund and 10% to the Restitution Fund (shares in this fund were given as compensation to individuals whose nationalised property could not be restored in kind).

Banks, insurance companies and some of the public utilities (like Slovenian Telecom and the rolling stock of the Slovenian Railways) are expected to be fully privatised by 2002.

In 1996, Slovenia exported US\$10,314 million, and imported US\$10,553 million, in goods and services. Most exports were to the EU (67%), followed by CEFTA countries (5%) and EFTA countries (1%). The remaining 27% were to other countries (about half to Croatia).

Reforms of the financial institutions and banks were introduced in 1991. To reduce the domination of the largest bank, Ljubljanska Banka, the government carved out separate banks from Ljubljanska Banka's subsidiaries. In addition, new private banks emerged. At the beginning of 1998, there were 28 banks in total, the two largest being still state-owned. Since September 1994, all banks have had to satisfy the EU's minimum capital adequacy requirements. There is a well-developed system of bank supervision.

There are also non-bank, financial institutions operating in Slovenia. About 20 licensed management companies have set up investment funds to invest "ownership certificates" on behalf of individual citizens. These funds can participate in auctions organised by the Slovenian Development Fund where the shares of privatised companies are sold, payment being in the form of cash or ownership certificates.

In September 1994, Parliament passed a law regulating insurance companies, imposing stricter criteria regarding the level of capital at risk. The law required as much as 90% of an insurance company's capital to be invested in low risk instruments (bank deposits or government bonds) and imposed a 10% cap on investment in other Slovenian securities. Legislative amendments have been announced for 1999 or 2000 which will relax the 10% limit and effectively boost Slovenian capital markets. At the same time, the legislative requirement that 50% of the insurance company's equity be of Slovenian origin will be removed, allowing for increased foreign participation in the local insurance market. At the beginning of 1998, there were only two foreign insurance companies involved in joint ventures in Slovenia.

Securities markets are regulated by the Securities Acts (1989 and 1990), the Money and Capital Market Act and the 1994 New Securities Market Act. The Ljubljana Stock Exchange, where stock and government, municipal and enterprise bonds are traded, was established in December 1989. Although the number of issues is constantly growing, trading volume and stock liquidity have remained relatively low, except in the case of a few Slovenian "blue chip" companies. Trading by foreign investors was restricted by law to limit the risk of crashes due to speculative trading. Although these restrictions received extremely negative press coverage and were seen as detrimental to market development (both by international and local investors), they proved to be justified during the "Russian" crisis in 1998, when the flight of capital out of the region hit other countries much harder than Slovenia.

In May 1995, trades unions and the Chamber of Industry and Commerce (representing employers) signed a new Wage Agreement, according to which wages will be partially linked to inflation. The agreement also specifies maximum and minimum wages and has been renewed, with modifications, every year. Slovenia's average hourly labour costs were DM 9.70 (US\$5.40) in 1998, still significantly below most EU countries but higher than any other Central and East European country.

Corporate restructuring

Following the break-up of Yugoslavia and the collapse of the COMECON economies, Slovenian enterprises practically (but temporarily) lost their market in Yugoslavia and most of Central and Eastern Europe. The country, therefore, had to seek new markets elsewhere, even for those products, which were mainly sold to other Yugoslav republics. This proved difficult at the beginning and most companies had to cut costs and reduce production significantly, in addition to changing their product and service mix. Most firms have now found new markets in Europe, especially in Germany, Austria and Italy, while retaining some sales in other former Yugoslav republics, especially Croatia and Macedonia.

Most of the companies producing consumer goods increased their exports to the EU only by moving to lower level market segments, while very few were able to establish own brands. The situation is the opposite in the local market, the markets of former Yugoslavia and some Central and East European markets (especially in the pharmaceutical, food and fashion sectors), where Slovenian companies are often positioned in top market segments and still compete strongly with global leaders. However, the 1991 experience has led companies to try to find the right level of balance between risk exposure and the benefits achieved in these “soft” markets. This proved to be wise during the 1998 Russian economic crisis, when direct exposure of Slovenian companies was, with few exceptions, insignificant. Thus, the crisis affected the Slovenian economy only indirectly, as a result of the slow-down of the European economy as a whole, and the estimated drop in GDP growth is less than 0.5%.

In general, companies with industrial customers found restructuring to be faster, less painful and more positive in outcome, since they had become accustomed to global competition and tough market conditions in the past. The global trend towards increasing the share of services over manufacturing is apparent in Slovenia, too. However, Slovenian service providers generally remain local, with very few of them operating in cross-border areas.

2.2 *The enterprise level*

In general, the enterprises covered by the survey fit into overall patterns in the direction and dynamics of transition. From the point of view of the results achieved and the challenges yet to be faced, they also constitute a relatively representative sample. This assessment is based on a consideration of the sample from the following viewpoints:

- enterprises characteristics; and
- characteristics of the managers’ sample, i.e.,
 - general managers

- human resources managers and
- individual managers.

Enterprise characteristics

The enterprises surveyed include 10 manufacturing companies and 9 enterprises from the services sector (see Appendix 2.1). The different industries covered are listed in Table 2.1.

Table 2.1: Industries covered by surveyed enterprises

Manufacturing sector	Services sector
Home appliances (1 company)	Banking industry (2 firms)
Metal processing industry (1)	Insurance (1)
Food processing (3)	Telecommunication (1)
Measuring instruments (1)	Transport services (1)
Pharmaceuticals (2)	Computer software (1)
Pneumatics and rubber industry (1)	Oil trade, marketing and distribution (1)
Sport equipment (1)	Trade (1)
	Hotel industry (1 group of companies)

The following data is gleaned from the nine companies providing the most complete data on their size, status and business performance indicators (see Appendix 2.2).

Table 2.2: Business indicators of surveyed enterprises

Indicator	Manufacturing	Services
Employment	433-6,600	30-2,800
Total revenue (US\$m)	25-650	6-610
Profits (US\$m)	Loss-16	0-12
Export volume (US\$m)	3-650	20-48
Export share of total revenue (%)	0-90	8.7-77.4
Assets (US\$m)	26-400	20-505

In 1998, the companies from the *manufacturing sector* either showed zero growth or had decreased their employment when compared with the previous year. In the same period, they showed a modest growth in total revenue ranging from 5-8% and a slightly higher growth in exports (ranging from 1-10%). Only one company reported a 2% growth in profits. Total investments in 1998 ranged from US\$3 million to US\$120 million, with the share of technology in total investment ranging from 70% to 100%.

Two of the *services sector* companies reported a slight (2-3%) decrease in their total employment. Total revenues increased from 7% to around 20%. Of the two companies providing data on exports, one had zero growth, while the other one reported an export growth rate as high as 40%. Total investment ranged from US\$11 million to US\$373 million in 1998, with the reported share of technology ranging from 2.5% to 33.3%.

All companies surveyed in both sectors had undergone major restructuring in the last five years, mainly in relation to their ownership structure. All enterprises are now publicly-quoted companies and cover the whole spectrum of ownership structures including:

- mixed ownership, with a significant portion of shares being owned by the State;
- mixed ownership, with some shares being owned by the Development and Pension Funds;
- mixed ownership, with a majority of external shares;
- mixed ownership, with a majority of internal shares (including MBOs and ESOP);
- mixed ownership, with subsidiaries 100% owned by the company;
- public companies 100% owned by another public company;
- companies having joint ventures with foreign partners in Slovenia; and
- companies having joint ventures abroad.

During the past five years, the companies have concentrated primarily on the ownership aspect of their overall restructuring but priorities are likely to shift in the coming years. The new priorities are likely to be new strategic thinking and business improvement programmes. This will be discussed in more detail in the following chapter.

Characteristics of managers' sample

The general characteristics of the managers' sample are given in Table 2.3. The table shows the relevant data for the general managers, human resources managers and individual managers surveyed. This data includes their age, overall work experience and in-house experience. In respect of general managers and human resources managers, the data cover the length of time they have been in their current positions.

Table 2.3: Age and experience of managers surveyed

	Overall			Manufacturing			Services		
	Average	Min.	Max.	Average	Min.	Max.	Average	Min.	Max.
GENERAL MANAGERS									
Age	43	29	54	41	34	50	47	43	54
Work experience	20	7	30	15	7	19	23	18	30
In-company	11	2	21	7	2	15	15	9	21
In general manager position	6	1	13	4	1	11	10	1	13
HUMAN RESOURCE MANAGERS									
Age	43	26	57	43	35	50	43	34	51
Work experience	19	2	30	19	12	24	20	2	30
In-company	15	1	25	18	12	24	13	1	25
In human resource management position	6	1	18	8	2	16	5	1	18
INDIVIDUAL MANAGERS									
Age	39	25	40	40	25	58	39	29	51
Work experience	16	2	16	16	2	36	16	3	34
In-company	11	2	13	13	2	35	11	2	27

The data from the above table, as well as that given in Appendices 2.3-2.4, indicate that *general managers* and *human resources managers* in Slovenian enterprises have the following typical characteristics:

- they are younger now than in the pre-transition period;
- they are well educated and increasingly likely to have completed post-graduate studies;
- they have sufficient work experience;
- they have relatively long in-house experience (particularly in the case of human resources managers);

- they include a relatively high proportion of ‘new generations’ of general managers and human resources managers (higher mobility); and
- a relatively high proportion of them is recruited from outside of the firm.

On the other hand, the data for *individual managers* given in Appendices 2.4-2.7 show that:

- these are well educated, many of them to post-graduate and MBA level;
- they have a low rate of external mobility; and
- there is a high proportion of younger generation managers at middle management level.

The data for individual managers reveal that almost 56% of the 61 managers surveyed have spent their entire working lives with the same company. This indicates the external mobility of managers in Slovenia is rather low. The proportion of managers with single company experience is particularly high in the manufacturing sector (74%), while it is under 44% in the services sector.

Around 65% of individual managers are under 40 and 35% are under 35.

The managers surveyed work in practically all functional areas. The majority work in the areas of:

- general management (including those in charge of different profit centres, departments and divisions);
- production, technology and operations (due, mainly, to the number of manufacturing sector enterprises included in the sample);
- project management; and
- finance.

The details are given in Table 2.4 below.

Table 2.4: Functions and tasks of individual managers

Managerial functions and tasks	Overall		Manufacturing		Services	
	No.	%	No.	%	No.	%
1. General management	16	26.2	8	29.7	8	23.5
2. Corporate governance and corporate law	–	–	–	–	–	–
3. Accounting and auditing	3	4.9	1	3.7	2	5.9
4. Corporate finance	6	9.8	1	3.7	5	14.7

Managerial functions and tasks	Overall		Manufacturing		Services	
	No.	%	No.	%	No.	%
5. Marketing	5	8.2	3	11.1	2	5.9
6. Sales	3	4.9	–	–	3	8.8
7. R&D and innovation processes	3	4.9	1	3.7	2	5.9
8. Technology, operations and logistics	8	13.1	8	29.6	–	–
9. Quality management	2	3.3	1	3.7	1	2.9
10. Management information systems	1	1.6	–	–	1	2.9
11. Human resources	4	6.6	–	–	4	11.8
12. Public relations and relations with public authorities	2	3.3	1	3.7	1	2.9
* Purchasing	2	3.3	1	3.7	1	2.9
** Project management	6	9.9	2	7.4	4	11.8
TOTAL	61	100.0	27	100.0	34	100.0

The following conclusions can be drawn from the characteristics of the enterprise and managers' sample presented above:

- the enterprises surveyed reflect and represent the overall situation with regard to the transition process in the country;
- general managers and human resources managers are competent and qualified to express the prevailing views on the main issues and concerns in business strategies, human resources function and practices, managerial capabilities and the training needs of managerial staff;
- individual managers cover the whole spectrum of managerial functions and tasks and this, together with their work experience, knowledge and understanding of their businesses and in-house situations, qualifies them as competent and representative sources of information on present and future training needs; and
- their age structure ensures that properly assessed training needs, if met by relevant training programmes, could have a long-term positive impact on improving business performance by investing appropriately in the development of managerial and leadership capabilities.

3. Main challenges and strategic responses

In order to get information on the magnitude and nature of the challenges, general managers were asked to position their enterprises in one of four suggested categories. Table 3.1 below details the suggested categories and the managers' responses.

Table 3.1: The magnitude and nature of the challenge

The level of challenge	Overall (%)	Manufacturing (%)	Services (%)
<p>1. Stable situation</p> <ul style="list-style-type: none"> ■ Business performance shows a steady 10-15% year-on-year improvement ■ Core business is unlikely to change ■ Satisfactory benchmarking position 	18	0	40
<p>2. Improvements are required</p> <ul style="list-style-type: none"> ■ There is a need to establish more ambitious goals, and to make improvements in order to keep pace with competition ■ Product range needs to be re-organised to remain competitive ■ Strategic orientation needs to be reviewed 	46	50	40
<p>3. Confronting change</p> <ul style="list-style-type: none"> ■ Regulatory pressures are changing market dynamics ■ New competitors are entering the market ■ Core business needs restructuring ■ New growth avenues are becoming necessary 	27	33	20

The level of challenge	Overall (%)	Manufacturing (%)	Services (%)
<p>4. Radical transformation</p> <ul style="list-style-type: none"> ■ Business must adjust to dramatic changes in the technological and economic characteristics of the sector and in the environment in which it operates ■ Product range must be completely re-organised 	9	17	0

The above table indicates that:

- 84% of enterprises are facing challenges requiring a response either through improvement (46%) or through various transformation programmes, some of which may need to be radical;
- manufacturing companies are much more concerned than service providers about the magnitude and nature of change, with 50% indicating that “change is needed” or that “there is a need for a radical transformation”; and
- only 20% of the services sector companies express a need for change, while the rest of the sector is evenly split into the categories of “stable situation” and “improvements are required.”

The authors of the report would argue that this categorisation is valid for Slovene companies for a number of reasons:

- Slovenian enterprises have long experience of the market economy and of the need to respond to environmental challenges;
- they have already successfully confronted several critical challenges stemming from various changes in the economic system of former Yugoslavia;
- they have already responded to several cycles of technological change; and
- they have been addressing the need to compensate for the loss of important markets within the former Yugoslavia.

At the same time, it is the opinion of the researchers that, in general, the seriousness of the challenges is to some extent underestimated. The main reasons for this are:

- some companies, particularly in the services sector, still enjoy certain privileges and benefits from their quasi-monopolistic position;
- the challenges to be faced during the process of Slovenian integration in the EU are not fully understood; and

- there is a certain reluctance and aversion to the very concept of radical change and the uncertainties involved.

This opinion is confirmed by the answers provided to the questions on the main strategic programmes and projects to be implemented in the next 2-5 years.

The companies that placed themselves in the categories of “stable position” and “improvements are required” (probably on the basis of their rather impressive current financial performance) are planning serious programmes, most of which involve significant change and even transformation.

Given their reported perception of the magnitude and the nature of the challenges they face, it was interesting to see whether enterprises have developed comprehensive strategies to deal with them, particularly in the context of the increasingly turbulent environment in which they operate. The responses of general managers to this question are shown Table 3.2.

Table 3.2: Comprehensive business strategies

Existence of comprehensive strategies	YES (%)	NO (%)
Overall	73	27
Manufacturing	50	50
Services	100	0

Perhaps surprisingly, although they tended to see the challenges as more serious, only 50% of the manufacturing companies said that they had a comprehensive strategy to deal with them. However, all enterprises from the services sector indicated that they had developed and implemented comprehensive strategies.

In order to gain a deeper insight into the quality of strategic thinking and approaches aimed at ensuring a more competitive position, the following elements were also taken into consideration:

- the focuses of strategic thinking in the past and anticipated future shifts;
- the inclusion of human resources and management development activities in overall strategies;
- strategic approaches to human resources and management development; and
- the recruitment of critical managerial staff.

The focuses of strategic thinking were assessed by asking general managers about the priority they gave to each of the seven components of the “McKinsey 7-S Format.” The priorities were

graded from 1 (the lowest) to 5 (the highest). Table 3.3 shows how respondents answered this question.

Table 3.3: The shifting focuses in strategic thinking

No.	The focuses of strategic thinking	Last 5 years	Next 2 years	Next 5 years
1	Development of a business strategy to achieve competitive advantages	2.90	4.80	4.89
2	Organisation and internal architecture of the firm (reorganising and restructuring the basic activity groups and reporting relationships).	3.20	3.90	3.22
3	Improvement of formal systems and procedures used in planning, budgeting, performance measurement and monitoring, rewards and information systems.	2.90	3.90	3.78
4	Development and better utilisation of human resources (recruitment and selection of people, management development, career management, training and integration).	2.80	4.20	4.66
5	Improvement of competencies and skills (basic potential of the firm – technology, individual competencies and management practices).	2.70	4.10	4.11
6	Change or improvement of the prevailing style characteristics of the company (the leadership style of top management, overall internal work style and style of personal interaction).	2.50	4.00	4.11
7	Change or improvement of the internal culture of the firm (by establishing a small number of strongly cohesive, mobilising and motivating shared values to reflect the firm’s identity).	2.70	4.50	4.44

The data from the above table confirm what has already been said about the main concerns of enterprises in the last 5 years and their responses to them. The overall priority given to strategic thinking components was rather low (an average score of only 2.8). Above average attention was paid to so-called “hard” elements, such as structure, business strategy and systems, while the “soft” elements were accorded less priority. This reflects and confirms the previously mentioned managerial focus on:

- implementing major restructuring programmes (mainly ownership restructuring);

- introducing new managerial systems, particularly those related to transitional changes (finance, accounting, and auditing) or those related to new market requirements (introduction of ISO 9000 systems and standards); and
- the need to develop strategies aimed at compensating for the traditional markets in former Yugoslavia.

In the next two years, increased attention will be paid to all seven strategic thinking components. While business strategies are expected to be the main concern, all four “soft” elements will receive more attention than the other two “hard” components. It is worth noting that internal culture and shared values rank second in the list of areas to be given attention. In the three subsequent years, the soft elements will continue to gain importance, with the central focus on staff development.

Table 3.4 looks at the same type of data and indicates some differences between the manufacturing and the services sector.

Table 3.4: The shifting focuses of strategic thinking by sector

No.	The focuses of strategic thinking	Manufacturing			Services		
		Last 5 years	Next 2 years	Next 5 years	Last 5 years	Next 2 years	Next 5 years
1	Strategy	2.50	4.83	4.83	3.50	4.75	5.00
2	Structure	3.00	3.66	3.33	3.50	4.23	3.00
3	Systems	2.83	3.66	3.50	3.00	4.25	4.33
4	Staff	2.50	4.33	4.66	3.25	4.00	4.66
5	Skills	2.50	4.00	4.00	3.00	4.25	4.33
6	Style	2.33	3.83	3.83	2.75	4.25	4.66
7	Shared values	2.50	4.16	4.16	3.00	5.00	5.00

As already mentioned, *manufacturing companies* paid much less attention to all of the seven components of the “7-S Format” which, as a whole, received a score of 2.8. Here again, above average attention was paid to the three “hard” elements, with restructuring, followed by systems and strategies, being the main focus.

All seven components will be accorded significantly higher priority in the next two years (an overall average score of 4.07). While business strategy continues to be the most important aspect of general strategy, companies in the manufacturing sector are planning to pay far greater attention to previously neglected “soft” elements. The main focus will be on staff development. A similar pattern will be maintained in the subsequent three years.

The *services sector companies* gave their overall strategic thinking in the past five years an average score of 3.14. Above average attention was paid to business strategies, managerial systems and staff development. In the next two years, the overall strategic thinking could be given an average score of 4.39, with absolute priority being given to the development of an internal culture and shared values and business strategy receiving slightly less attention. In the subsequent three years, although absolute priority will continue to be given to business strategies and internal culture, the other “soft” elements, particularly staff development and improvements in managerial style, will be given increased priority.

The above shifts in strategic thinking seem realistic given the *main strategic programmes and projects* planned for the next two to five years.

The most frequently mentioned types of strategic projects in both sectors are shown in Table 3.5.

Table 3.5: Major strategic programmes and projects for the next two to five years

Manufacturing	Services
Quality systems and standards ISO 9000 and/or ISO 14000 (4 mentions)	Strengthening market position in Slovenia and/or abroad (4 mentions)
Diversification into non-core businesses, or vertical integration (4)	Introduction of new services (3)
Increase international market share (3)	Establishing strategic partnerships (2)
Increase domestic market share (3)	Organisational restructuring - decentralisation (1)
New vision for parts of the businesses (3)	New technologies and/or modernisation (2)
Establishing joint ventures, strategic partnerships and/or networks (2)	Improving quality and achieving business excellence (1)
Financial consolidation (2)	Redefining the mission (1)
Reduced seasonal dependence (1)	Emphasis on human factor (1)
Technological modernisation and automation (1)	Financial consolidation (1)

The comprehensiveness and the implementation potential of the strategies can also be judged by how they treat the critical factor – i.e. the human factor. General managers were asked whether human resources and management development are an integral part of their comprehensive strategies. Table 3.6 below summarises the responses.

Table 3.6: Human resources and management development as integral parts of overall strategies

	Overall (%)	Manufacturing (%)	Services (%)
Always	9	0	20
Often	46	33	60
Sometimes	36	50	20
Seldom	0	0	0
Never	9	17	0

Here again, the manufacturing sector lags significantly behind the services sector. These data also confirm that much less attention is being paid to “soft” elements, particularly those directly related to the quality of human resources and management capabilities. This may raise additional doubts about the quality of the strategies developed and implemented in the past.

Directly related to this was the question about whether enterprises carried out certain types of human resource and management development audits, similar to those carried out for other activities when business strategies are being developed. The answers provided by general managers of the enterprises surveyed are presented in Tables 3.7 and 3.8.

Table 3.7: Human resource audit

	YES		NO	
	No.	%	No.	%
Overall	7	64	4	36
Manufacturing sector	4	67	2	33
Services sector	3	60	2	40

There are no significant differences between the two sectors. However, given the previous findings and conclusions on general strategic approaches to the human factor, it seems somewhat unlikely that two thirds of the manufacturing companies actually carried out some sort of human resources audit and/or human resources SWOT analysis in the past 5 years. There may be some over-estimation here. One of the explanations for this could be that the emphasis was on professional, rather than the managerial, skills and competence.

This is confirmed by answers to a similar question on the existence of management development systems, the responses to which are presented in Table 3.8 below.

Table 3.8: Management development systems

	YES		NO	
	No.	%	No.	%
Overall	3	30	7	70
Manufacturing sector	2	33	4	67
Services sector	1	25	3	75

In total, only 30% of companies have such systems.

Finally, it was interesting to get an insight into whether enterprises recruit their critical managerial talent from outside the company or through internal management development systems and practices. The answers to this question are shown in Table 3.9.

Table 3.9: Recruitment of critical managerial talent

	External Recruitment	Internal Resources
	%	%
Overall	31.4	68.6
Manufacturing sector	29.2	70.8
Services sector	34.0	66.0

More than two thirds of the companies rely on their internal managerial talent. In the case of the manufacturing sector, the figure exceeds 70%. These data are in accordance with the long in-house experience of managerial staff and the relatively low level of external managerial mobility in Slovenia, discussed above.

In conclusion, it is worth emphasising the following findings and conclusions which are particularly relevant to further discussion:

- enterprises are increasingly aware of the challenges they face;
- strategic projects already identified require significant managerial efforts and talents;

- strategic thinking is significantly shifting so that “soft” elements, most of which are directly or indirectly linked with managerial capabilities, are receiving much more attention and are gradually becoming the focus of strategic thinking; and
- there is a high level of reliance on internal managerial talents, indicating that a realistic assessment of current managerial capabilities and existing gaps is critical for assessing key management training needs.

4. Assessment of current management capabilities

General managers were asked to give their views on current managerial capabilities at various management levels in their enterprises. They were asked to rank the three competency components – knowledge and understanding (functional skills), skills and competence (core skills) and values and attitudes (personal qualities and leadership skills) – on a scale from 1 (the lowest) to 5 (the highest).

Their responses are shown in Table 4.1.

Table 4.1: General managers' views of current management capabilities

Management levels	Functional skills <i>Knowledge and understanding</i>	Core skills <i>Competence and skills</i>	Personal qualities <i>Values and attitudes</i>
Boards	3.50	3.66	3.33
Top management	4.18	4.36	4.00
Middle management	3.55	4.09	3.55
Lower management	3.09	3.64	3.27
Professionals	4.10	4.10	3.80
Talented young executives	3.89	3.67	3.78

The above evaluation of overall capabilities at various managerial levels indicates that, in the opinion of general managers:

- the highest capabilities are concentrated at the top management level;
- professionals are the second most capable group;
- talented young executives have better capabilities than managers at both middle and lower levels and even than board members; and
- managerial competence and skills (core skills) are better developed than functional and leadership skills (except in the case of talented young executives).

If these data are related back to the information on enterprise focuses in strategic thinking, which was presented earlier, several significant conclusions can be drawn.

- The overall potential of current managerial capabilities is not fully utilised for strategic management purposes and this implies that these capabilities are used primarily for operational tasks.
- Important managerial and leadership capacities are to be found in the two non-managerial groups (professionals and young entrants) and are, therefore, under-utilised or not utilised at all.
- Board members tend to show higher managerial capabilities, though one might expect their main role to be a leadership and/or advisory/supervisory (professional) one.

Table 4.2 compares the data for the two sectors. The characteristics described above are to be found in both sectors. However, it is interesting to note that general managers in manufacturing companies give a significantly lower score to their managerial staff at all management levels than do general managers from services sector enterprises.

Table 4.2: Assessment of management capabilities by sector

Management levels	Manufacturing sector			Services sector		
	Functional skills	Core skills	Personal qualities	Functional skills	Core skills	Personal qualities
Boards	3.25	3.50	3.25	4.00	4.00	3.50
Top management	3.86	4.16	3.66	4.60	4.60	4.40
Middle management	3.33	4.00	3.50	3.80	4.20	3.60
Lower management	3.00	3.66	3.16	3.20	3.60	3.40
Professionals	3.66	4.00	3.50	4.75	4.25	4.25
Talented young executives	3.80	3.60	3.60	4.00	3.75	4.00

Given this assessment of overall managerial capabilities, it is interesting to look at general managers' assessment of the roles currently played by managers at different managerial levels and to compare them with what they think their level of performance should be in the future. These data are shown in Table 4.3 and are again based on a scoring system from 1 to 5.

Table 4.3: Roles by managerial levels

Managerial levels	Current roles			Desired roles		
	Professional	Manager	Leader	Professional	Manager	Leader
Boards	3.33	3.83	3.50	4.14	4.00	4.28
Top management	4.18	4.18	4.73	4.55	4.55	4.83
Middle management	3.55	3.44	3.00	4.36	4.18	4.09
Lower management	3.50	3.10	3.00	4.40	4.40	3.90
Professionals	4.20	3.30	3.00	4.70	3.70	3.60
Talented young executives	3.89	3.44	3.33	4.22	4.55	4.11

As far as the *roles currently played* by managerial staff at various levels of management are concerned, it is interesting to note that:

- top management and board members are the only groups who get a higher score for their managerial and leadership roles than for their professional role;
- the leadership role is the least developed at all other levels of management; and
- talented young executives are more likely to be seen as having greater managerial and leadership potential than their colleagues in managerial posts at all levels, except for top management and board members.

As for *desired level of performance in the different roles*, it is surprising to see that:

- general managers continue to insist that the professional roles of their managerial staff at all managerial levels are more important than managerial roles; and
- leadership roles in the future seem to be reserved for top management and board members.

Tables 4.4 and 4.5 show the same data for the manufacturing and services sectors respectively.

Table 4.4: Managerial roles in the manufacturing sector

Managerial levels	Current roles			Desired roles		
	Professional	Manager	Leader	Professional	Manager	Leader
Boards	3.25	3.50	3.50	3.80	3.60	4.40
Top management	3.83	4.16	3.66	4.50	4.66	5.00
Middle management	3.50	3.66	3.00	4.33	4.33	4.00

Managerial levels	Current roles			Desired roles		
	Professional	Manager	Leader	Professional	Manager	Leader
Lower management	3.33	3.00	3.00	4.33	4.50	4.00
Professionals	3.83	3.50	3.00	4.66	3.66	3.50
Talented young executives	3.80	3.40	3.00	4.20	4.80	4.00

The most important findings for the *manufacturing sector* are as follows:

- the most significant difference is between current and desired performance of the leadership role at all managerial levels;
- top management now accords absolute priority to the leadership role;
- talented young executives are seen as the group which should assume the best-performing managerial role in the future; and
- the professional role continues to be accorded more importance than the leadership role at all levels, except for top management and board members.

Table 4.5: Managerial roles in the services sector

Managerial levels	Current roles			Desired roles		
	Professional	Manager	Leader	Professional	Manager	Leader
Boards	3.50	4.50	3.50	5.00	5.00	4.00
Top management	4.60	4.20	3.80	4.60	4.40	4.60
Middle management	3.60	3.20	3.00	4.40	4.00	4.20
Lower management	3.75	3.25	3.00	4.50	4.25	3.75
Professionals	4.75	3.00	3.00	4.75	3.75	3.75
Talented young executives	4.00	4.50	3.75	4.25	4.25	4.25

In the *services sector* enterprises, general managers' expectations in respect of future roles are quite surprising:

- the highest managerial role is assigned to board members;
- the professional role is expected to be the most important one at all levels of management; and
- the leadership role will, nevertheless, become much more important than it is today.

The individual managers' assessment of their own performance is an equally important element of the overall assessment of current managerial capabilities. The results of this self-assessment, as a whole and by sector, are presented in Table 4.6

Table 4.6: Individual managers' views of their own roles

Functional/ Task Area	Current roles			Desired roles		
	Professional	Managerial	Leadership	Professional	Managerial	Leadership
Overall	3.37	3.41	3.78	3.58	3.69	3.60
Manufacturing	3.54	3.34	3.75	3.62	3.68	3.81
Services	3.23	3.47	3.80	3.55	3.70	3.45

While individual managers' views of their current roles as professionals and managers are very similar to the views expressed by the general managers, the views of these two groups on their leadership roles are quite different. The differences are important and merit emphasis:

- the value individual managers place on their leadership role (an average of 3.78) is far higher than that placed on it by the general managers, who gave an average score of 3.08 to middle managers, lower level managers, professionals, and talented young executives;
- individual managers believe that their current leadership role is more important than their professional and managerial roles; and
- these differences are to be found in both sectors.

From a sectoral point of view, it is interesting to note that, in manufacturing firms, individual managers see their managerial role as more important than their professional role. By contrast, managers from the services sector place a slightly higher value on their professional role than on their managerial role.

In order to explore further the issue of the critical difference between the views of general and individual managers, the latter group was asked a question on the different tasks that made up their overall workload. These tasks were grouped into categories on the basis of the methodological framework used in the survey (27 functions and tasks were grouped into 4 categories). The answers given to this question are shown in Table 4.7.

Table 4.7: Average workload structure

Current roles/ Workload areas		Overall %	Manufacturing %	Services %
1-12	Functional skills	53	21	32
13-15	Managerial skills	38	18	20
16-23	Leadership skills	45	21	24
24-27	General skills	28	17	11

Since individual managers were not asked to define the structure of their workload, the percentages in the table do not represent the actual workload structure, but rather a review of groups of overlapping activities carried out by individual managers. In other words, 89.8% of individual managers perform some tasks where they play a role as professionals, while 64.4% of them perform managerial tasks. As for the leadership role, more than 76% of managers listed some activities of this type.

On the basis of the above data, and the data previously discussed, one could say that

- with regard to the differences between the general managers’ perception of the current roles of individual managers and the views expressed by individual managers themselves, the latter seems to be closer to reality.

Nevertheless, one may conclude that

- the current emphasis on strictly managerial tasks is less than it should be in the “normal” workload of a person occupying a managerial post.

5. Training experience and lessons drawn

This section provides information and data on previous training efforts, the results of these and the lessons that we can draw from them for the future. As might be expected, most of the questions asked were addressed to two target groups: human resource managers, who are responsible for the area of training; and individual managers, who were the main recipients of the training provided. General managers were also asked some questions, particularly about management training policies, their integration into overall company strategies and their impact on improving human resources and management capabilities.

As indicated in the introduction, this section deals with the issue comprehensively and covers both the content and the process aspects of previous training. It also looks at the roles, learning habits, preferences etc. of the people who participated in the training programmes. Finally, the section covers the various methods, techniques and mechanisms used to evaluate the efforts invested in management training.

5.1 *Volume, coverage and investment in management training*

Generally, the data obtained from the questionnaires, other information received from the companies included in the survey sample and information received through various forms of interviews indicate that the overall volume of management training activities in Slovenia is very high. Unfortunately, quantitative information on volume and coverage (percentage of managers at various levels of management who received some kind of management training) was not provided in a consistent way, so this section should be interpreted, mainly, in qualitative terms.

Although it was impossible to determine the percentage of managers at various managerial levels who had received training, the data received from 12 companies indicate the following:

- board members received training in only four companies;
- training was provided to all the other managerial levels in six companies (2 manufacturing and 4 in the services sector);
- in one (manufacturing) company, the only group that did not receive any training was the professional group;
- in one (manufacturing) company, training was focused at top management level only; and
- in two (service) companies only top and middle management received training.

As for investment in management training, data for 1998 show that, in the manufacturing sector, this ranged from US\$2,368 (in a small company facing the problem of financial consolidation) to US\$625,000. The share of investment in training in the total investments recorded by individual companies in 1998 ranges from 0.4% to 1.3%. When compared with the investment in technology, the investment in management training ranges between 0.5% to 1.5%.

In the service area, the companies reported that investment in management training ranges from US\$103,000 to US\$450,000. The share of total investments ranges from 0.5% to 2.1%. Compared with investments in technology, investment in training is between 1.5 and 7.7%.

Of the eight companies providing data for 1997 and 1998, five increased the amount of money for management training, the percentage increase ranging from 12.5% to 100%. The remaining three companies maintained investment at the previous year's level (ranging from US\$200,000 in two companies to US\$625,000 in the other).

5.2 *Content and concentration*

In order to get an insight into the content and concentration of management training programmes, companies were asked what training they provided, for the different levels of management, in the four major training areas, as defined by the methodology of the survey. Table 5.1 shows the responses of the 12 companies that answered this question.

Table 5.1: Training programmes by managerial level

Training Programmes		Board Members	Top Mgt.	Middle Mgt.	Low Mgt.	Professionals	Talented young executives
TOTAL							
1-12	Functional skills	4	12	9	8	9	5
13-15	Managerial skills	–	4	3	1	2	1
16-23	Leadership skills	–	5	4	3	2	1
24-27	General skills	–	6	4	5	6	6
MANUFACTURING							
1-12	Functional skills	2	5	3	2	3	1
13-15	Managerial skills	–	1	1	–	1	–
16-23	Leadership skills	–	2	–	–	–	–
24-27	General skills	–	2	1	1	1	1
SERVICES							
1-12	Functional skills	2	7	6	6	6	4
13-15	Managerial skills	–	3	2	1	1	1
16-23	Leadership skills	–	3	4	3	2	1
24-27	General skills	–	4	3	1	5	5

More detailed information is contained in Appendix 5.1, based on the nine companies that used the methodological guidelines to structure their responses to the question. The following conclusions may be drawn on the most popular training programmes for different managerial levels:

- board members of four companies (2 in the manufacturing and 2 in the services sector) received training only in the area of functional skills (general management, corporate governance and corporate law);
- most companies (7) provided their top management with training in general management, while quality management training programmes for this managerial level were carried out in 6 companies;

- the middle management level received quality management training in 5 companies, while 4 companies provided general management training programmes, as well as training in interpersonal and communication skills and in foreign languages, for this managerial level;
- at the level of lower and first line management, managers from 5 companies received training in quality management and foreign languages, while 3 companies organised training in the areas of human resource management and computer skills;
- the professionals surveyed received training in foreign languages in five companies, quality management training in four companies and training in technology and operations in three companies; and
- the talented young executive group received quality management training and foreign language training in four firms, while three companies sent this group on courses in interpersonal and communication skills and computer skills.

It is interesting to compare the above data, which was supplied by human resources managers, with the responses of 61 individual managers from 19 companies.

Table 5.2 provides data on type of training, grouped into the four main training areas, received in the 405 training programmes in which the individual managers participated. (details are given in Appendix 5.2)

Table 5.2: Volume and structure of individual managers' training

Area		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1-12	Functional skills	235	58.0	88	54.0	147	60.7
13-15	Managerial skills	27	6.7	14	8.6	13	5.4
16-23	Leadership skills	89	22.0	32	19.6	57	23.6
24-27	General skills	54	13.3	29	17.8	25	10.3
TOTAL		405	100.0	163	100.0	242	100.0

The volume of training is quite impressive. On average, each individual manager participated in almost seven training programmes, with the services sector being slightly more training-intensive than manufacturing.

The main concentration was in the area of functional skills. The second priority was given to leadership skills, while training in strictly managerial skills received less attention than general skills training. In terms of sector, the general pattern does not differ, though, in the manufacturing sector, there were higher concentrations in the area of managerial and general

skills (mostly foreign languages), while, in the services sector, the emphasis was on functional and leadership skills.

Appendix 5.2 provides more detailed information on the specific training programmes included in the four skill groups. The most popular specific programmes are shown in Table 5.3. The percentages in the table refer to the share of individual programmes in the total number of programmes in the relevant sectors.

Table 5.3: Concentration by specific programmes and sectors

Training areas	Total		Manufacturing		Services	
	No.	%	No.	%	No.	%
1. Quality management	49	12.1	19	11.7	30	12.4
2. Marketing	36	8.9	13	7.8	23	9.5
3. General management	33	8.1	14	8.6	19	7.9
4. Foreign languages	30	7.4	16	9.8	14	5.8
5. Finance	29	7.2	10	6.1	19	7.9
6. Human resources management	25	6.2	7	4.3	18	7.4
7. Computer skills	24	5.9	13	8.0	11	4.5
8. Interpersonal and communication skills	20	4.9	5	3.1	15	6.2
9. Accounting and auditing	17	4.2	11	6.7	6	2.5
10. Change management	15	3.7	5	3.1	10	4.1

The popularity of the “Top 10” programmes (particularly quality management, marketing, finance and foreign languages) is, to some extent, typical of any economy which is in transition and is, at the same time, facing the additional challenges of increased internationalisation and competition. However, the relatively high priority given to programmes in the areas of human resource management, interpersonal skills and change management reflect a significant change from the previous situation, when the emphasis was, primarily, on functional skills.

Before looking at the process aspects of management training, it would be interesting to get some idea of the spread of training over time. Table 5.4 indicates the distribution, over time, of the 405 training programmes attended by the individual managers surveyed.

Table 5.4: Distribution of previous training over time

Year		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	1998	157	38.8	62	38.4	95	39.3
2	1997	98	24.2	47	28.8	51	21.1
3	1996	65	16.0	24	14.7	41	16.9
4	1995 and before	85	21.0	30	18.4	55	22.7
TOTAL		405	100.0	163	100.0	242	100.0

It is clear that the volume of training is already high and is on the increase. This seems to be a general pattern, since there are no significant differences between the two sectors.

5.3 The training process

This section deals with several aspects of the training process, such as types of programmes, duration, location and the characteristics of participants and of training providers.

Human resources managers were asked to provide information on the type of courses provided for different managerial levels in their companies. The results are presented in Table 5.5 which indicates the number of companies (out of 12) that provided specific types of programmes for specific managerial levels.

Table 5.5: Types of training by managerial level

Types of programmes	Board Members	Top Mgt.	Middle Mgt.	Low Mgt.	Professionals	Talented young executives
TOTAL						
Long study programmes	1	4	3	2	3	5
Medium-length programmes	—	3	5	2	3	2
Short public seminars	3	8	8	6	7	5
Short in-house seminars	1	8	6	9	6	5

Types of programmes	Board Members	Top Mgt.	Middle Mgt.	Low Mgt.	Professionals	Talented young executives
Distance learning	–	–	–	–	2	–
Study visit to foreign companies	1	3	4	1	5	2
MANUFACTURING						
Long study programmes	–	–	1	–	–	2
Medium-length programmes	–	1	–	–	1	2
Short public seminars	2	3	3	1	2	1
Short in-house seminars	–	3	2	4	1	–
Distance learning	–	–	–	–	1	–
Study visit to foreign companies	–	1	1	–	3	1
SERVICES						
Long study programmes	1	4	2	2	3	3
Medium-length programmes	–	2	5	2	2	–
Short public seminars	1	5	5	5	5	4
Short in-house seminars	1	5	4	5	5	5
Distance learning	–	–	–	–	1	–
Study visit to foreign companies	1	2	3	1	2	1

The preferred types of training for all managerial levels are short public seminars and short in-house programmes. Long-term programmes were attended by talented young executives from five companies and top managers from four enterprises. The main target group for programmes of medium duration seems to be middle management (five companies). Interestingly enough, training programmes which took the form of study visits and placements in other firms were taken up by the professional group of managers in five companies, while middle managers from four companies received this type of training. The top management level did not find these programmes, which were provided by three enterprises, more attractive than short (eight companies), or even long, programmes (four firms).

It is interesting to compare these results with the structure and duration of the 405 programmes attended by individual managers. Data on these aspects are presented in Tables 5.6 and 5.7.

Table 5.6: Types of training programmes

Types of programmes		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	Seminars	215	53.0	92	56.5	123	50.8
2	Courses	74	18.3	30	18.4	44	18.2
3	MBA studies	15	3.7	7	4.3	8	3.3
4	Workshops	89	22.0	31	19.0	58	24.0
5	Other	12	3.0	3	1.8	9	3.7
TOTAL		405	100.0	163	100.0	242	100.0

The most common type of programme is seminars, followed by workshops and courses. The share of MBA studies is relatively high and encouraging, while the programmes in the “Other” category included placements in other firms and participation in various international conferences, symposia etc. The patterns are almost the same in both sectors.

Table 5.7: Duration of training programmes

Duration		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	Days	302	74.5	102	62.6	200	82.6
2	Weeks	61	15.1	32	19.6	29	12.0
3	Months	42	10.4	29	17.8	13	5.4
TOTAL		405	100.0	163	100.0	242	100.0

Short seminars were the most popular form of training, particularly in the services sector. The percentage shares of medium-length and long-term programmes are higher in the manufacturing than in the services sector.

Table 5.8 presents data on training locations. Around 10% of the training took place abroad, while almost 27% took place in-house. Both these types of training were more popular in the service than in the manufacturing sector. The in-house programmes are discussed in more detail below

Table 5.8: Training location

Location		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	In-house	109	36.9	3.8	23.3	71	29.3
2	In the country	255	63.3	114	70.0	141	58.3
3	Abroad	41	10.1	11	6.7	30	12.4
TOTAL		405	100.0	163	100.0	242	100.0

An important element of the training process is the opportunity to exchange views, ideas, and experiences with participants from different business environments or cultures. However, training within the firm, or even within a department, facilitates greater concentration on concrete business problems and/or issues, which is what trainees frequently need. Table 5.9 shows the composition of trainee groups in the training programmes attended by the individual managers surveyed.

Table 5.9: Type of participants in programmes followed by individual managers

Other participants		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	From own department	10	21.5	4	2.4	6	2.7
2	Consultancy firm	169	41.7	74	45.4	95	42.4
3	Business school	137	33.8	64	39.2	73	32.6
4	Foreign partner	71	17.5	21	12.9	50	22.3
TOTAL		387	100.0	163	100.0	224	100.0

This data would seem to indicate that most of the programmes were implemented in-house, but this was not the case. The explanation might be that the interviewees mentioned this category when referring to national training programmes, which they attended together with

the colleagues from their own company. It is interesting to note, however, that the share of programmes with international participants is relatively high, particularly in the services sector.

Finally, Table 5.10 shows the training providers involved in the 405 training programmes attended by individual managers in the sample.

Table 5.10: Training service providers

Provider		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	University	44	10.9	18	11.1	26	10.8
2	Consultancy firm	176	43.5	66	40.5	110	45.5
3	Business school	56	13.8	25	15.3	31	12.8
4	Foreign partner	23	5.7	4	2.4	19	7.8
5	Own firm	18	4.4	12	7.4	6	2.5
6	Customer	2	0.5	2	1.2	—	—
7	Supplier	7	1.7	5	3.1	2	0.8
8	Management development centre	48	11.9	18	11.0	30	12.4
9	Placement scheme	—	—	—	—	—	—
10	Other	31	7.6	13	8.0	18	7.4
TOTAL		405	100.0	163	100.0	242	100.0

It is interesting to note that consultancy firms were by far the most important training service providers. Their main competitors are business schools and management centres (although these two terms were often used interchangeably). Universities are lagging behind, though, some time ago, they were considered to be the main providers of training services. Internal resources for training were used more extensively in the manufacturing than in the services sector. The same applies to suppliers and customers. However, foreign partners were more frequently involved in the services sector. This pattern was confirmed by the responses of the human resources managers who were asked to provide the answer to the same question with regard to their firms as a whole.

5.4 Selection

The issue of selection in and around the management training process was addressed from several viewpoints, including:

- needs and motivation;
- criteria for the selection of programmes;
- selection of trainees;
- selection of providers;
- sources of information on providers; and
- patterns of cooperation with providers.

Individual managers were asked to explain the process by which management training in their companies is initiated. Their answers are presented in Table 5.11.

Table 5.11: Reasons for initiating the training process

Selection criteria		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Needs arising from the company's strategy	4.00	10	3.75	4	4.17	6
2	General human resources policy	3.00	11	3.00	4	3.00	7
3	Departmental needs	4.08	12	4.20	5	4.00	7
4	Personal performance	2.80	10	2.75	4	2.83	6
5	Personal interest	2.82	11	3.50	4	2.42	7

The two most important factors are related to the internal needs of the company – in the first place those of the department, closely followed by those arising from the company's strategy. This general pattern results from the high priority given to the needs of organisational units within manufacturing companies. In one manufacturing company, for instance, this was the only criterion used. In the services sector, the key motivational factor is the company's strategy. In both sectors, general human resources policy comes in third place, only slightly above personal initiative and personal performance. This may indicate that human resources responses do not keep pace with changing needs in a company and its organisational units.

Table 5.12 shows the responses of human resources managers to a question on the criteria used to select training programmes.

Table 5.12: Selection of training programmes

Selection criteria		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Technical quality of the programme	3.25	8	4.00	2	3.00	6
2	Learning output	4.09	11	4.20	5	3.43	6
3	Fits in with human resources policy	3.10	10	3.00	3	3.14	7
4	Fits in with company's strategy	3.33	12	2.60	5	3.86	7
5	Fits in with concrete human resources programmes designed to support a strategic project	3.60	10	3.33	3	3.71	7
6	Fits in with individual's perception of his/her own training needs	3.22	9	3.25	4	3.20	5
7	Fits in with individual's perception of his/her future career or employability	2.73	11	2.50	4	2.86	7
8	Providers' reputation	2.90	10	3.00	3	2.86	7

The most important criterion is the anticipated learning output of the training programme. Whether the training course fits into a concrete programme, designed to support an overall strategy, is the second most important consideration. There are, however, differences between the two sectors. After learning output, the second most important criterion in manufacturing companies is the technical quality of the programme. It should be noted, however, that only the two leading criteria are mentioned by all the surveyed companies from this sector. In the services sector, the differences between the criteria are less significant, the most important criterion being the company's strategy and its human resources policies.

The most important role in the selection of trainees in the manufacturing companies is played by senior managers and human resources managers, while, in the services sector, a potential trainee's personal initiative is as important as that of the human resources manager. The details are presented in Table 5.13.

Table 5.13: Trainee selection

Selection criteria		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Personal initiative	3.36	11	4.00	4	3.00	7
2	Senior manager	3.67	12	4.20	5	3.29	7
3	Human resources manager	3.36	22	3.50	4	3.29	7
4	General manager	2.82	11	2.80	5	2.83	6
5	Business partner	1.13	8	1.25	4	1.00	4

Human resources managers were also asked to state the criteria used by their firms to select training service providers. Their answers are shown in Table 5.14.

Table 5.14: Selection of training service providers

Selection criteria		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Reputation	3.55	11	3.25	4	3.71	7
2	Availability	2.80	10	3.00	4	2.67	6
3	Price	3.00	11	2.75	4	3.14	7
4	Location	3.17	12	2.80	5	3.43	7
5	Personal contact	3.20	10	3.50	4	3.00	6
6	Previous experience with the provider	4.67	12	4.60	5	4.75	7
7	Value added/additional services	3.25	8	3.00	3	3.40	5
8	Convenience	2.63	8	2.00	3	3.00	5
9	Other	5.00	2	5.00	1	5.00	1

The most important criterion for selecting the training provider is previous experience with the same provider. In the services sector, the category of “other” criteria was also used. This was specified as “professional excellence”, a criterion which is related to the reputation of the provider, previous experience and/or value added. Interestingly, the value added/ additional service criterion is the least important (or perhaps the least known) in the manufacturing sector.

The issue of sources of information on training providers is closely related to the selection process and to selection criteria. A question on this was addressed to individual managers who, unlike human resource managers, do not deal with the issue on a daily basis. Their answers are shown in Table 5.15.

Table 5.15: Sources of information on training providers

Selection criteria		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Family and friends	1.98	52	2.27	22	1.77	30
2	Reading	3.46	57	3.32	25	3.56	32
3	TV and media/school	2.61	57	2.56	25	2.66	32
4	Peers and colleagues	3.59	58	3.48	26	3.69	32
5	Consultants	3.52	58	3.27	26	3.72	32
6	Foreign business partners	2.91	51	2.74	21	3.03	30
7	Formal business training	3.89	54	3.50	24	4.20	30
8	Other	4.17	6	4.00	5	5.00	1

This question was not correctly translated into Slovene, so that, instead of the list of sources of information on training providers, the list of sources on the learning process was used. This is why the 'Other' category is indicated relatively frequently and is given a high score. (It is mentioned 5 times in the manufacturing and once in the services sector, with a top average score of 4.17). Included in this category are sources such as internal human resources personnel, as well as direct mail and the Internet. These findings are relevant, though not fully comparable with those from the other countries included in the survey.

Expected or not, it emerged that the training service providers are the best source of information on training programmes. Business consultants are the second most valued source, followed by peers and colleagues, with reading occupying third place.

Finally, it was decided to include *patterns of cooperation* with training service providers in the section dealing with selection. A question to this effect was addressed to two groups: general managers and human resources managers.

According to general managers, the prevailing pattern is that cooperation is on a strictly ad hoc basis (50%). This is the case in two thirds of the manufacturing firms and one third of the service companies. In the manufacturing sector, the sample enterprises have not implemented any training programmes in the context of an international assistance programme. As for long-term

cooperation agreements, this model is used in every third manufacturing firm and in almost 42% of service companies.

Human resource managers confirmed this finding. They scored the importance of the three models of cooperation as follows:

- 4.40 for ad hoc programmes (4.60 in manufacturing and 4.2 in the services sector);
- 3.12 for long-term cooperation (3.0 in manufacturing and 3.25 in the services sector); and
- 2.00 for international assistance programmes (1.67 in manufacturing and 2.5 in the services sector).

5.5 *Special programmes and approaches*

This section considers some in-house practices relevant to management training and human resource development. The focus is on in-house management training programmes, the use of various internal and/or external training facilitators and different approaches to mutual and shared learning.

As already indicated by individual managers in their answers to the questions on training providers and course location, a large portion of training is provided in the form of in-house programmes. Human resources managers were asked to provide more specific data on this and their answers are presented in Table 5.16 (more detailed information can be found in Appendix 5.3)

Table 5.16: In-company training programmes

Training programmes	Board Members	Top Mgt.	Middle Mgt.	Low Mgt.	Professionals	Talented young executives	TOTAL
OVERALL							
Functional skills	12	100	587	2,125	176	142	3,142
Managerial skills	—	10	30	—	—	—	40
Leadership skills	—	18	54	660	138	20	890
General skills	3	43	126	282	180	162	796
TOTAL	15	171	797	3,067	494	324	4,868

Training programmes	Board Members	Top Mgt.	Middle Mgt.	Low Mgt.	Professionals	Talented young executives	TOTAL
MANUFACTURING							
Functional skills	–	–	85	263	60	117	525
Managerial skills	–	5	–	–	–	–	5
Leadership skills	–	4	40	180	–	20	244
General skills	–	10	65	95	80	97	347
TOTAL	–	19	190	538	140	234	1,121
SERVICES							
Functional skills	12	100	502	1,862	116	25	2,617
Managerial skills	–	5	30	–	–	–	35
Leadership skills	–	14	14	480	138	–	646
General skills	3	33	61	187	100	65	449
TOTAL	15	152	607	2,529	354	90	3,747

This indicates that an impressive 4,868 participants have taken part in some kind of in-house training programmes in 12 companies. It is interesting to note that all managerial levels took part, though most of the programmes were intended for lower levels of management, including professionals and talented young executives. The category of lower level and first line management alone received 63% of the total in-house training provision. It should be noted, however, that, of the total 3,067 trainees in this category, 1,670 were from one services sector company.

Almost two thirds of the training programmes dealt with functional skills (64.5%), while training in managerial skills was the least common form of in-house training and was limited to only two groups: top management and middle management.

More detailed information about the most popular in-house training programmes for different managerial levels is provided in Appendix 5.3 and is summarised here.

Board members (though in the services sector only) received in-house training in the areas of finance, quality management and foreign languages.

Top management received in-house training in 12 out of 27 training areas. In the functional skills area, the most popular practical disciplines were general management (over 56%) and quality management (27%). Project management was the only field covered in the managerial skills

area. The training programmes provided in the areas of leadership skills were divided almost evenly among leadership and organisational behaviour, change management and interpersonal and communication skills. In the area of general skills, IT and foreign language courses were almost equally popular.

Middle managers received most of their functional skills training in the area of general management (46%) and quality management (20.6%). In the managerial skills area, project management was the only specific area of training. In the leadership skills areas, 48.6% of the trainees attended programmes in communication skills, the rest being equally distributed between leadership and organisational behaviour and change management. Three quarters of the training in general skills related to computer skills, while foreign language training accounted for the remainder.

Of the *lower level managers* who received in-house training in functional skills, two thirds attended programmes in sales management, while almost one third received training in quality management. In the area of leadership skills, the total number of trainees was equally distributed between the areas of leadership and organisational behaviour, change management and communication skills.

Most of the in-house training provision for *professionals* related to:

- quality management, sales and marketing (functional skills);
- project management (managerial skills);
- leadership and organisational behaviour and change management (leadership skills); and
- foreign languages (general skills).

Talented young executives attended in-house training in only seven areas. These were ranked as follows: quality management, computer skills, accounting and auditing, communication skills, finance and foreign languages.

These figures speak for themselves. Nevertheless, one of the most significant conclusions is that in-house training programmes were intended primarily to support either:

- the introduction of quality systems and standards and the learning of foreign languages and computer skills; or
- the implementation of a major strategic project in a specific area (as was the case in the company mentioned above which had 1,200 people attending courses in sales management).

Nine of the human resources managers said that they made use of internal facilitators. They gave the frequency this practice was used an overall score of 3.67 (overall) – 3.5 in the manufacturing sector and 3.8 in the services sector.

The response of human resources managers to a question on what they used external training facilitators for is shown in Table 5.17.

Table 5.17: Use of external facilitators

Activity		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Needs assessment	1.89	9	2.40	5	1.25	4
2	Programme design	2.67	9	3.00	5	2.25	4
3	Selection of providers	1.50	8	1.00	4	2.00	4
4	Implementation	3.45	11	4.20	5	2.83	6

It is clear that recourse to external facilitators is not standard practice, either in terms of the number of companies that use this as a way of improving the management training process or in terms of the perceived value added. The only exception may be in the area of implementing training programmes. Managers are least likely to use external facilitators to assess management training needs.

This means that human resources departments are given significant responsibility in the area of training. In this context, it would be interesting to identify the main services that human resources departments provide to their internal customers. Table 5.18 provides some answers to this question.

Table 5.18: Main activities of human resource departments

Activity		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Staffing	4.64	11	4.60	5	4.67	6
2	Development	2.86	11	2.60	5	3.08	6
3	Appraisal	2.30	10	2.50	4	2.17	6
4	Rewards	3.09	11	3.00	5	3.17	6
5	Organisational governance	2.60	10	2.60	5	2.60	5
6	Communication	3.00	11	2.80	5	3.17	6
7	Other	—	—	—	—	—	—

The traditional staffing activity seems to be by far the most important service provided by human resource departments. The developmental activities, which are the focus of this study, seem to be quite neglected and are ranked fourth in order of priority. The situation is slightly better in the services sector.

Human resources managers were also asked to assess how their work is valued by their internal customers. The answers are summarised in Table 5.19.

Table 5.19: Effectiveness of human resource work

Activity		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Staffing	4.00	5	4.00	3	4.00	2
2	Development	3.40	5	3.33	3	3.50	2
3	Appraisal	2.75	4	2.33	3	4.00	1
4	Rewards	2.40	5	2.00	4	4.00	1
5	Organisational governance	3.00	6	2.75	4	3.50	2
6	Communication	2.83	6	2.25	4	4.00	2
7	Other	—	—	—	—	—	—

This picture looks slightly better than the previous one. However, one should treat it with some caution, since the evaluation has not been made by the recipients of the services. Nevertheless, the data indicate that human resource departments should focus much more on the developmental aspect of human resources. This is an important finding which will be confirmed in Chapter 6, both by human resources managers themselves and, even more importantly, by general managers.

5.6 Evaluation

The assessment of the effectiveness of human resources practices, which was described above, was one aspect of evaluation covered by the study. The issue was also addressed by questions on the existence of evaluation systems, the diffusion of individually acquired knowledge, the individual managers' evaluations of the training programmes they attended and their evaluation of the general strengths and weaknesses of these programmes.

Only one of the ten general managers who replied to this question said that his company had a formalised system to measure the effectiveness, value added and impact of its management development and training programmes. However, when asked if they would be willing to implement such a system, the others all responded in the affirmative. If nothing else, therefore, the research has already made a contribution to furthering new ways of thinking about evaluation systems.

In reply to the same question on evaluation systems, five human resources managers said they had such systems. When we compared these answers with the negative replies given by general managers, it emerged that only in one firm (in the manufacturing sector) was the human resources department really measuring impact by tracking trainees’ personal performance, while the others did little more than record the volume of training efforts (number of trainees, number of hours etc.). One human resources manager, however, mentioned that his department was designing an evaluation system to be implemented in the near future.

The way general managers addressed the application of the concept of the “learning organisation” to management training in their own organisations is shown in Table 5.20.

Table 5.20: Diffusion of knowledge

The “learning organisation” concept	Overall		Manufacturing		Services	
	No.	%	No.	%	No.	%
Knowledge remains mainly with those individuals/groups who acquire it	3	25	3	50	—	—
Knowledge is diffused	6	50	3	50	3	50
Knowledge becomes an integral part of institutionalised collective wisdom	3	25	—	—	3	50

While one half of the general managers confirmed that individually acquired knowledge was diffused throughout the company, only 25% thought that individually acquired knowledge, skills and values became an integral part of the institutionalised collective wisdom.

In order to explore this issue further, human resources managers were asked to evaluate the methods used to foster mutual and shared learning. Their answers are shown in Table 5.21.

Table 5.21: Methods used to foster mutual and shared learning

Method		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Teamwork	3.30	10	3.00	4	3.50	6
2	Coaching	2.75	8	2.33	3	3.00	5
3	Briefing and debriefing	3.30	10	3.50	4	3.17	6
4	Joint projects	3.00	9	2.75	4	3.20	5
5	Personal responsibility for developing others	3.00	7	2.67	3	3.25	4
6	Workshops	2.67	9	2.50	4	2.80	5
7	Job rotation	2.14	7	2.00	3	2.25	4
8	Internal work guides	1.63	8	1.33	3	1.80	5

Looking at the sample as a whole, the highest value (3.30) was given to teamwork, followed by taking personal responsibility for developing others and various forms of briefing and debriefing. In the manufacturing sector, the most valued method is briefing and debriefing, while, in the services sector, teamwork seems to be most valued.

Finally, individual managers were asked to evaluate the training programmes they had attended in the past. Table 5.22 summarises their answers.

Table 5.22: Overall evaluation of training programmes

Value added	Overall		Manufacturing		Services	
	Value	No.	Value	No.	Value	No.
Personal value						
■ increased knowledge	4.03	60	3.93	27	4.11	33
■ improved skills and competence	4.17	55	3.42	24	4.75	31
■ broadened horizons	3.78	59	3.62	26	3.91	33
■ changed attitudes and values	3.21	49	3.30	22	3.14	27
■ enhanced employability	3.09	39	3.30	14	2.97	25
■ other (specify)	—	—	—	—	—	—

Value added	Overall		Manufacturing		Services	
	Value	No.	Value	No.	Value	No.
Value for own department						
■ improved effectiveness	3.82	58	3.94	26	3.72	32
■ increased efficiency	3.72	47	3.38	22	4.03	25
■ better cooperation and teamwork	3.61	55	3.57	24	3.64	31
■ new projects and tasks	3.30	43	3.17	19	3.40	24
■ higher employee satisfaction	3.36	42	3.09	17	3.54	25
■ better customer service	3.69	45	3.63	20	3.74	25
■ improved performance and profits	3.49	50	3.49	22	3.50	28
■ other (specify)	—	—	—	—	—	—
Value for the company						
■ enhanced collective wisdom	3.64	58	3.67	26	3.62	32
■ improved internal culture	3.36	54	3.35	24	3.37	30
■ good citizenship	3.01	43	3.01	22	3.01	21
■ improved competitive position	3.66	49	3.99	20	3.43	29
■ application of 'learning organisation' concept	3.55	40	3.41	18	3.67	22
■ other (specify)	—	—	—	—	—	—

This table illustrates a number of important findings. On average, the main personal value added is associated with improved skills and competence. This result is due, primarily, to the high value given to this element by individual managers from the services sector. In the manufacturing sector, the emphasis is on increased knowledge. Characteristically, higher employability is an element which regarded very highly (perhaps because not too many managers are familiar with the concept).

The value added at the departmental level is, generally, assessed as lower than personal value added but, at this level, improved effectiveness and efficiency were the most highly valued results. The least-mentioned categories were employee satisfaction, new tasks and projects and better customer service. This raises the question of what individual managers believe the ultimate purpose of training should really be.

With regard to the value added for the company (which is generally the lowest), improved competitiveness is given the highest score, closely followed by improved collective wisdom. One might question the score given to the last-mentioned factor, given that relatively few managers have even considered the concept of a 'learning organisation'. However, those who do use the concept value it relatively highly.

This data provided in this table raise several important issues, of which the following are especially significant:

- the ultimate purpose of training;
- the integration of knowledge into collective wisdom;
- the application of the concept of the “learning organisation”;
- the implicit, rather than explicit, links between corporate strategies and training efforts;
- the relationship between training and satisfaction and loyalty (among customers, peers and collaborators);
- the relationship between training and employability; and
- the relationship between training and new values and attitudes.

Finally, individual managers were asked to describe what they considered to be the main *strengths and weaknesses* of the training programmes they attended in the past.

Strengths

As far as *information and knowledge* are concerned, the strengths most frequently mentioned included:

- new knowledge;
- confirmation of existing knowledge;
- new views and approaches;
- new and up-to-date information;
- increased understanding of global trends;
- better understanding of processes;
- source of benchmarking;
- a multidisciplinary approach; and
- trainers’ familiarity with concrete examples.

The strengths most frequently mentioned in the context of learning *output* included:

- the development of new skills;
- the improvement of existing skills;
- applicability, usefulness and practical value;

- learning from concrete cases;
- learning about best practices;
- managerial thinking;
- new contacts and sources of information; and
- value for the company.

The term most frequently used to describe strengths in the context of *trainer assessment* included:

- expert providers;
- excellent presenters;
- interactive learning methods;
- good communication skills;
- reduced trainee stage fright;
- interesting; and
- motivating.

The terms most frequently used in the context of *learning material* included:

- high quality material;
- literature;
- case studies;
- practical illustrations; and
- exercises.

The terms most frequently used in the context of *other participants* included:

- exchange of experiences;
- diversity;
- international groups;
- practising foreign language; and
- new contacts.

The terms most frequently mentioned in the context of *process and method* included:

- workshops;

- group work and learning;
- intensive work;
- short, acceptable duration; and
- interactive communication (questions and answers).

The terms most frequently mentioned in the context of *location* included:

- convenience;
- international environment; and
- accessibility.

Weaknesses

Although it may appear paradoxical, many of the items that were mentioned by some trainees as strong points of the training experience were considered as weaknesses by other trainees (e.g. the programmes were too intensive, the heterogeneity of groups did not allow for more intensive and focused work, trainers were poor presenters, there were not enough practical examples etc.). However, complaints about these issues were much less frequent than praise.

Rather than repeating in the list of “weaknesses” items that have already been covered in the list of “strengths”, we shall focus on elements that have not yet been mentioned. These include:

- the absence of formal trainee evaluation;
- fragmented programmes;
- insufficient programme flexibility;
- lack of continuity and follow-up; and
- intrusive simultaneous interpretation.

6. Assessment of training needs

As the title of the project suggests, this section is central to the entire research effort. In order to assess management training needs, three groups of managers were approached with identical, similar or related questions. The underlying idea was to gain as comprehensive as possible an insight into this areas.

General managers were approached with two questions. On the one hand, and mainly from a business point of view, they were asked to indicate the main problem/opportunity areas, i.e., the areas within which significant improvements could be achieved, provided their companies invested sufficient resources in the provision of appropriate training. They were also asked to state what they believed should be the areas of highest priority, given the overall management capabilities in their companies.

Human resources managers were asked the same two questions, i.e., one on the main problem/opportunity areas and the other on the training programmes that would yield the highest value added to their companies. Both groups were asked to score each problem/opportunity and training programme area on a scale from 1 to 5. This was to allow us to quantify the importance and/or the possible impact of the different elements.

Individual managers were asked to address the issue of critical training needs through three different questions. First, they were asked to indicate the training programmes which would improve their own effectiveness and efficiency, given their current roles and workload structure. Secondly, they were asked to envisage the training programmes which they would consider most appropriate for the next five years, given the likely overall development of their companies, the development of their own careers and the role that they expect to play in their firms in the future. Thirdly, they were asked to quantify the value that those programmes could have for the department they work in and for the company as a whole.

The answers all three groups of managers gave to these questions were grouped in two different ways on the basis of the list of 27 managerial functions/tasks and/or the four training programme areas underlying the whole survey. On the one hand, the results were aggregated and organised into the four categories of functional skills (or areas of work), managerial or core skills (or tasks), leadership skills and general skills. The second way of assessing the importance given to certain problem/opportunity areas or training programme fields was to prepare a list of the most frequently mentioned issues. These were assigned

scores to facilitate the assessment of the importance of individual areas and/or the potential impact of different training programmes.

6.1 Major problem/opportunity areas

Table 6.1 provides an insight into the main problem/opportunity areas (in the context of the previously mentioned interaction between business problems and related training programmes) as identified by general managers of the companies surveyed (the details are presented in Appendix 6.1).

Table 6.1: General managers' views of main training-related problem/opportunity areas

Problem/opportunity area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1-12	Functional skills	4.14	29	4.19	16	4.07	13
13-15	Managerial skills	3.00	4	2.66	3	4.00	1
16-23	Leadership skills	3.93	14	3.67	9	4.40	5
24-27	General skills	–	–	–	–	–	–
1-27	TOTAL	3.98	47	3.86	28	4.16	19

It is clear from Table 6.1 that general managers see the major problem/opportunity areas as being associated primarily with individual managerial functions and or disciplines (29 of the 47 areas mentioned, or almost 62%, fall into these categories). The second major group is made up of areas associated with leadership tasks/work areas (close to 30%), while only 8.5% refers to strictly managerial tasks. The average importance accorded to the different categories follows the same order.

This pattern was common to both sectors, though the emphasis on functional areas was even greater in companies in the services sector. However, the highest value in the entire table was attached by companies in this sector to areas in the leadership category.

Table 6.2 summarises the responses given by human resources managers to the same question (the details are given in Appendix 6.2).

Table 6.2: Human resources managers' view of main training-related problem/opportunity areas

Problem/opportunity area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1-12	Functional skills	3.96	28	3.46	13	4.16	15
13-15	Managerial skills	3.40	5	3.50	2	3.33	3
16-23	Leadership skills	4.35	20	4.66	6	4.21	14
24-27	General skills	3.00	2	3.00	1	3.00	1
1-27	TOTAL	4.02	55	3.77	22	4.06	33

The overall ranking of the four groups corresponds to that given by general managers, though the share of the functional skills area is lower by almost 10 points. This is because human resources managers (particularly those in the services sector) put higher emphasis on the leadership area, though they also give some consideration to more general areas such as knowledge of foreign languages and/or computer skills. It is interesting to note that human resource managers in both sectors place the highest value on areas in the leadership category.

It is interesting to compare the views of general managers and human resources managers with those of individual managers. To facilitate this comparison, part of Table 4.6, which refers to the value individual managers attach to additional training programmes designed to support their current roles, is reproduced here.

Table 6.3: Value of additional training for current roles played by individual managers

Improvement Area		Overall	Manufacturing	Services
1-12	Functional skills	3.58	3.62	3.45
13-15	Managerial skills	3.69	3.68	3.81
16-23	Leadership skills	3.60	3.69	3.60

It is interesting to note that individual managers feel a need for a much more balanced mix of knowledge and skills to support their current roles and workload structure. Particularly characteristic is the top overall ranking given to the area associated with core managerial tasks (or skills). Leadership skills are the second priority.

From the sectoral point of view, individual managers working in the services sector awarded the highest priority to core managerial areas. They also ranked functional skills slightly higher than leadership. However, individual managers from the manufacturing companies are more interested in additional training programmes in the areas of leadership skills and assign the area of core skills to second place.

Although there are some differences between the values assigned by individual managers to additional training programmes, on the one hand, and those assigned by general managers and human resources managers to the four categories of problem/opportunity areas, on the other, a closer examination of the individual areas mentioned by general managers and human resources managers reveals that there are no great discrepancies between them. This can be seen in Table 6.4, which lists the individual function or task areas that are mentioned most frequently. Each area is also described in terms of the relative importance assigned to it by the interviewees.

Table 6.4: Most frequently mentioned specific problem/opportunity areas

	General managers			Human resources managers		
	Area	%M	Val.	Area	%M	Val.
1	Human resources management	12.8	4.66	Communication skills	12.7	4.28
2	Marketing	12.8	4.50	Human resources management	10.9	4.17
3	Communication skills	8.5	3.75	Marketing	9.1	4.00
4	Accounting and auditing	8.5	3.50	Project management	9.1	3.40
5	Project management	8.5	3.00	Leadership and organisational behaviour	7.3	4.75
6	Leadership and organisational behaviour	6.4	4.66	Quality	7.3	4.25
7	Creativity and entrepreneurship	6.4	4.00	Change management	5.5	5.00
8	Sales	6.4	4.00	General management	5.5	4.33
9	Change management	6.4	3.66	Sales	5.5	2.66

This clearly indicates that, strictly speaking, only three areas could be treated as purely functional and/or departmental:

- marketing and sales, which were mentioned by both groups of managers; and
- accounting and auditing, which was mentioned by general managers.

All the others (including quality management, which was mentioned by human resources managers) are associated more with the managerial and leadership areas. It may be concluded, therefore, that the most frequently mentioned and most highly valued areas correspond, largely, to the training needs identified by individual managers

These data also indicate that the priorities given to individual problem/opportunity areas by general and human resources managers largely coincide. Particularly important is the very high ranking given to the human resources area. This shows that a high priority is being given to the development of human resources in general and to management development in particular. It also indicates a high level of willingness to implement training programmes aimed at satisfying the current and future training needs of individual managers, particularly in the problem/opportunity areas identified by top management.

Before identifying current and future training needs, it might be useful to show the problem/opportunity areas that were identified at the sectoral level. Tables 6.5 and 6.6 list these areas for the manufacturing and the services sectors respectively.

Table 6.5: Problem/opportunity areas mentioned most frequently by managers from the manufacturing sector

	General managers			Human resources managers		
	Area	%M	Val.	Area	%M	Val.
1	Marketing	10.7	5.00	Communication skills	13.6	4.33
2	Change management	10.7	3.66	Marketing	9.1	5.00
3	Communication skills	10.7	3.66	Project management	9.1	3.50
4	Project management	10.7	2.66	Technology	9.1	3.50
5	Human resources management	7.1	5.00			
6	Management information systems	7.1	4.00			
7	Accounting and auditing	7.1	3.50			
8	Technology management	7.1	3.50			
9	Quality	7.1	3.50			

Table 6.6: Problem/opportunity areas mentioned most frequently by managers from the services sector

	General managers			Human resources managers		
	Area	%M	Val.	Area	%M	Val.
1	Human resources management	21.1	4.50	Communication skills	12.1	4.25
2	Marketing	15.8	4.00	Human resources management	9.1	5.00
3	Leadership and organisational behaviour	10.5	4.50	Leadership	9.1	4.66
4	Creativity and entrepreneurship	10.5	4.50	Quality	9.1	4.33
5	Sales	10.5	4.00	Project management	9.1	3.33
6				Marketing	9.1	3.33
7				Change management	6.1	5.00
8				General management	6.1	4.50
9				Time management	6.1	3.50
10				Sales	6.1	3.00

The data presented in these tables is self-explanatory. One can note, however, that general managers in the services sector are more focused than their colleagues in the manufacturing sector, while the situation with the human resources managers is quite the opposite. The priorities given to individual problem/opportunity areas will be discussed later, in the context of the priorities given to corresponding training programmes.

6.2 *Current and future training needs*

Following the pattern of the previous section, current and future training needs are presented here in terms of the different views of general managers, human resources managers and individuals performing various managerial tasks at different managerial levels.

The answers that general managers gave to a question on the training programmes that are most important and relevant for their managerial staff are summarised in Table 6.7 (details are shown in Appendix 6.3).

Table 6.7: Priorities for additional training – general managers' view

Suggested training area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1-12	Functional skills	4.38	26	4.21	14	4.58	13
13-15	Managerial skills	3.75	4	3.50	2	4.00	2
16-23	Leadership skills	4.08	13	4.14	7	4.00	6
24-27	General skills	–	–	–	–	–	–
1-27	TOTAL	4.23	43	4.13	23	4.35	20

In general, there is a high level of consistency between the proposed training areas and the problem/opportunity areas identified. Here again, slightly more than 60% of the 43 training programmes mentioned falls into the areas of functional skills, while slightly more than 30% refers to leadership skills. The sectoral patterns are almost identical. From the point of view of value, the highest value is again associated with the most frequently mentioned group of training programmes.

The views of human resources managers on this issue are summarised in Table 6.8 (details are given in Appendix 6.4).

Table 6.8: Priorities for additional training – human resources managers' view

Suggested training area		Overall		Manufacturing		Services	
		No.	Imp.	No.	Imp.	No.	Imp.
1-12	Functional skills	17	4.06	11	3.73	6	4.67
13-15	Managerial skills	3	4.33	2	4.50	1	4.00
16-23	Leadership skills	13	4.57	4	5.00	9	4.44
24-27	General skills	2	3.50	2	3.50	–	–
1-27	TOTAL	35	4.23	19	4.05	16	4.47

While still giving the highest priority to the area of functional skills, human resources managers continue to emphasise the importance of training to improve leadership skills, which are ranked highest in terms of their value and potential impact. (Human resources managers in the manufacturing sector give the leadership programmes they mentioned the highest possible average score of 5.00.)

Individual managers were asked to provide their own ideas on what training programmes they would like to participate in the next five years. Their answers were grouped into the four main skill areas and are shown in Table 6.9 (details are given in Appendices 6.5, 6.6, and 6.7 for the total sample and for the manufacturing and the services sectors separately).

Table 6.9: Individual managers' future training preferences

Suggested training area		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1-12	Functional skills	115	43.7	58	46.4	57	39.6
13-15	Managerial skills	2	10.8	12	9.6	17	11.8
16-23	Leadership skills	88	32.7	33	26.4	55	38.2
24-27	General skills	37	13.8	22	17.6	15	10.4
1-27	TOTAL	269	100.0	125	100.0	144	100.0

Again, the training needs of individual managers are more evenly spread across the four skill areas. Of the 269 training programmes suggested by 60 individual managers, 43.7% were in the area of functional skills, almost one third (32.7%) related to leadership skills, while 13.8% (a relatively high figure) referred to the group of general skills. The area of core managerial skills was mentioned least (10.8%).

As for sectoral differences, a shift towards leadership skills in the services sector is particularly noticeable, with this area being mentioned almost as often as functional skills (38.2 vs. 39.6% respectively). It is also interesting to note that individual managers working in the manufacturing sector express a much greater interest in general skills (particularly foreign languages), reflecting this sector's significantly greater exposure to international markets and the challenges associated with this.

Moving from the aggregate level of the four main groups to the level of individual training areas, it is interesting to compare the areas most frequently mentioned by the three groups of managers. These data are shown in Table 6.10.

Table 6.10: The “Top 10” priority training programmes identified by the different groups of managers

	General managers			Human resources managers			Individual managers	
	Area	%M	Val.	Area	%M	Val.	Area	%M
1	Human resources management	16.3	4.72	Communication skills	14.3	4.80	Leadership and organisational behaviour	8.9
2	Marketing	12.6	4.40	Sales	11.4	4.25	Foreign languages	8.9
3	Communication skills	12.6	4.00	General management	11.4	4.00	General management	6.7
4	Change management	7.0	4.66	Quality management	8.6	4.66	Communication skills	5.6
5	Quality	7.0	4.66	Leadership and organisational behaviour	5.7	5.00	Quality	5.6
6	Creativity and entrepreneurship	7.0	3.66	Project management	5.7	4.50	Human resources management	5.2
7	Accounting and auditing	7.0	3.66	Marketing	5.7	4.00	Decision-making	4.8
8	Sales	4.7	4.50	Computer skills	5.7	3.50	Change management	4.5
9	Technology and operations	4.7	4.00	Human resources management	5.7	3.00	Creativity and entrepreneurship	4.1
10	Management information systems	4.7	4.00				Project management	4.1

Again, one can see that the lists of most frequently mentioned programmes do not differ very much. However, such differences as do exist are fairly significant.

General managers once again put the human resources function in first place, not only in terms of the number of times it is mentioned, but also from the point of view of the value associated with training programmes in this area. If priorities in training are compared with the main problem/opportunity areas identified, it is interesting to note that training in change management increases in importance, while creativity, entrepreneurship and technology have replaced leadership and project management as the most important problem/opportunity areas. Technology, however, was not mentioned in the context of problems/opportunities.

The number of times human resource managers mention the sales, general management and quality management areas increased. Surprisingly, the number of times training in the human resources area is mentioned decreased. The new item on the human resource managers' list is computer skills, which replaces the change management area mentioned in their problem/opportunities list. As for the area of communication skills, human resources managers remain consistent in regarding this area as of the highest priority, not only in terms of the number of suggested programmes but, this time, also in terms of their impact and value.

Characteristically, the "Top 10" list of training programmes most frequently mentioned by individual managers does not include strictly functional areas (as previously explained, quality management is considered by this group to be more managerial and leadership-oriented in nature). However, their work area covers practically all functions, with some concentration on general management or associated work areas, as was shown in Table 2.4. Their preferences are leadership and foreign languages, followed by general management, communication skills and quality management. Interestingly enough, this group introduces decision-making as an area in which they would like to have training.

Table 6.10 summarises the answers from the whole sample. The views the three groups of managers in the manufacturing and services sectors are shown in Tables 6.11 and 6.12 respectively.

Table 6.11: Views of managers from the manufacturing sector on the "Top 10" priority training programmes

	General managers			Human resources managers			Individual managers	
	Area	%M	Val.	Area	%M	Val.	Area	%M
1	Change management	13.0	4.66	Sales	15.8	4.00	Foreign languages	11.2
2	Human resources management	13.0	4.33	Communication skills	10.5	5.00	General management	6.4
3	Marketing	13.0	4.33	General management	10.5	4.00	Marketing	6.4
4	Communication skills	13.0	3.66	Computer skills	10.5	3.50	Decision-making	5.6
5	Quality	8.7	5.00	Human resources management	10.5	3.50	Leadership	5.6
6	Technology	8.7	4.00				Computer skills	5.6
7	Management information systems	8.7	4.00				Quality	4.8

	General managers			Human resources managers			Individual managers	
	Area	%M	Val.	Area	%M	Val.	Area	%M
8	Project management	8.7	3.50				Change management	4.8
9							Communication skills	4.8
10							Creativity and entrepreneurship	4.8

This table is self-explanatory. Nevertheless, it should be noted that the general managers' list does not include accounting and auditing, although this is identified as one of the problem/opportunity areas.

On the other hand, the human resources managers' list does not contain marketing, although this area was ranked as the second priority problem/opportunity area. However, training programmes in sales management are ranked first. This might indicate that human resources managers do not differentiate between these two areas. In addition, general management and computer skills have replaced project management and technology management, which were mentioned in the context of problems/opportunities.

Individual managers from the manufacturing sector give absolute priority to foreign languages, followed by general management and marketing.

Table 6.12: Views of managers from the services sector on the "Top 10" priority training programmes

	General managers			Human resources managers			Individual managers	
	Area	%M	Val.	Area	%M	Val.	Area	%M
1	Human resources management	20.0	5.00	Communication skills	18.8	4.66	Leadership and organisational behaviour	11.8
2	Communication skills	10.0	4.50	General management	12.5	5.00	General management	6.9
3	Marketing	10.0	4.50	Quality	12.5	5.00	Foreign languages	6.9
4	Sales	10.0	4.50				Communication skills	6.2
5	Project management	10.0	4.00				Human resources management	6.2

	General managers			Human resources managers			Individual managers	
	Area	%M	Val.	Area	%M	Val.	Area	%M
6	Quality	10.0	4.00				Quality	6.2
7	Creativity and entrepreneurship	10.0	3.50				Project management	5.6
8							Time management	5.6
9							Change management	4.2
10							Creativity and entrepreneurship	4.2

In the services sector, general managers give the human resources function priority in terms of training needs: this is mentioned in 20% of all cases and is given an impact value of 5.00. General managers in this sector put the areas of communication skills and marketing in second place, followed by project management and quality.

Human resources managers remain consistent in according the highest priority to communication skills, followed by general management and quality management.

Individual managers in the services sector consider training in the area of leadership and organisational behaviour as the highest priority, followed by programmes in the areas of general management, foreign languages, communication skills, human resources and quality management. This group of managers also introduces the notion of training in time management.

Finally, in assessing the training needs and the improvements that could be introduced if those needs were met by appropriate training programmes, it is interesting to see how individual managers judge the value of the suggested 269 programmes for their departments and for their company as a whole. These data are shown in Table 6.14.

Table 6.13: Individual managers' views of the broader value of future training

	Overall		Manufacturing		Services	
	Value	No.	Value	No.	Value	No.
Number of programmes	260	60	122	27	138	60
Average number listed per manager	4.33	60	4.52	27	4.18	33
Value for the department	4.25	55	4.29	26	4.22	29
Value for the company	4.28	55	4.35	26	4.22	29

It is interesting to note that individual managers associate very high values with the programmes they suggest, both for their departments and, particularly, for the company as a whole. The differences between the sectors, in this regard, are insignificant.

This element of the overall assessment of training needs is highly relevant since almost 92% of individual managers (96% and 88% in the manufacturing and services sectors respectively) responded to the question.

In conclusion, there is one aspect of this section that merits special attention. The space available in the questionnaire for providing answers to the question related to their training needs was limited to just five programmes, though managers were not specifically asked to list five programmes. Nevertheless, they suggested a total number of 269 programmes, or an average of 4.33 per manager. If nothing else, this indicates that individual managers were keen to have their opinions considered both by the survey and by their companies.

In this context, due attention should be paid to the preferred types of training programmes. The answers provided by individual managers to this question were grouped into the four skills areas and are shown in Table 6.14. Separate data for the manufacturing and services sectors are shown in Appendices 6.8 and 6.9, respectively.

Table 6.14: Preferred types of training

Preferred types of training		Overall	Practical skills	Managerial skills	Leadership skills	General skills
1	Long study programmes	8.6	13.9	–	3.4	10.8
2	Medium-length programmes	29.0	24.3	41.4	27.3	37.9
3	Short public seminars	26.4	29.5	31.0	27.3	10.8
4	Short in-house seminars	20.8	12.2	27.6	31.8	16.2
5	Distance learning	0.7	0.9	–	–	2.7
6	Study visit to a foreign company	13.4	18.3	–	9.1	18.9
7	Other	1.1	0.9	–	1.1	2.7
TOTAL		100.0	100.0	100.0	100.0	100.0

In general, individual managers find that three types of programmes best match their training needs and learning habits: programmes of medium duration, short public seminars and short in-house training programmes. Study visits to foreign partners and various forms of placements in other companies seem to be valued higher than long-term training programmes. Distance learning was mentioned only occasionally.

The types of training preferred is related to the training area. Individual managers seem to think that short public seminars and medium-length programmes are most appropriate for improving functional skills. Study visits to foreign partners are also seen as a useful way of acquiring this type of skill.

For managerial skills, only three types of programmes are mentioned: medium-length programmes are seen as the most appropriate, followed by short public seminars and short in-house programmes.

Short in-house programmes are most highly valued for improving leadership skills, closely followed by medium-length programmes and short public seminars. Study visits to foreign partners were accorded a relatively high ranking for training in these skills, primarily because of the interest expressed in this type of training by individual managers from the manufacturing sector.

Since training needs related to general skills refer, mainly, to foreign languages, medium-length programmes got the highest ranking, followed by study visits abroad and short in-house courses.

In assessing training needs, as well as in designing training processes to match those needs, due attention should be paid to prevailing learning habits and the most usual sources of learning. Data on learning habits are shown in Table 6.15, for the whole sample, and in Tables 6.16 and 6.17 for individual managers working in the manufacturing and services sectors.

Table 6.15: Overall patterns of individual managers' learning habits

Learning habits - methods used	Knowledge and understanding <i>Practical skills</i>		Skills and competence <i>Core skills</i>		Attitudes, values <i>Personal qualities</i>	
	Value	No.	Value	No.	Value	No.
Traditional: (Lectures, case studies, guest speakers, input from senior management and debates)	4.25	61	3.30	61	3.21	60
Peer-group based: (Group exercises, brainstorming, networking, participative learning, peer consultation, and outdoor and open space training)	4.08	60	4.10	61	3.83	61
Technology-based: (Simulations, distance learning, e-mail, video conferencing and Lotus notes)	3.17	56	3.05	56	2.32	56

Learning habits - methods used	Knowledge and understanding <i>Practical skills</i>		Skills and competence <i>Core skills</i>		Attitudes, values <i>Personal qualities</i>	
	Value	No.	Value	No.	Value	No.
Action-oriented: (Project-based, action learning, reflection on action learning, full feedback and follow-up, individual action plans and group action plans)	3.80	59	3.87	59	3.42	59
Benchmarking: (Experience sharing, site visits, placements, and other investigative learning)	3.60	60	3.82	60	3.53	60
Broadening techniques: ("Time-out", reflection, arts, music, painting, poetry; non-traditional guest speakers and "imagineering"-thinking outside the box)	2.68	52	2.49	52	3.68	53

In general, individual managers consider traditional learning to be the most appropriate method for improving knowledge and understanding, the second best method being contacts and exchange of views and ideas with their peer groups. As for skills and competence, the peer-group method is seen as the most effective, closely followed by action-oriented approaches and benchmarking. Finally, when it comes to the area of values and attitudes, peer-group based methods are again considered the most valuable, while various broadening techniques, which are somewhat neglected in the area of improving knowledge and skills, are ranked second.

Table 6.16: *Learning habits of managers in the manufacturing sector*

Learning habits - methods used		Knowledge and understanding <i>Practical skills</i>		Skills and competence <i>Core skills</i>		Attitudes, values <i>Personal qualities</i>	
		Value	No.	Value	No.	Value	No.
1	Traditional	4.30	27	3.37	27	3.17	27
2	Peer-group based	3.81	27	4.07	27	3.69	27
3	Technology-based	3.15	23	2.83	23	2.22	23
4	Action-oriented	3.35	26	3.63	26	3.23	26
5	Benchmarking	3.22	27	3.56	27	3.69	27
6	Broadening techniques	2.63	23	2.63	23	3.48	23

In the manufacturing sector, the prevailing pattern of learning habits is almost the same, the main difference being that the benchmarking method is given the same average ranking as peer-group methods in the 'values and attitudes' category.

Table 6.16: Learning habits of managers in the manufacturing sector

Learning habits - methods used		Knowledge and understanding <i>Practical skills</i>		Skills and competence <i>Core skills</i>		Attitudes, values <i>Personal qualities</i>	
		Value	No.	Value	No.	Value	No.
1	Traditional	4.21	34	3.24	34	3.24	33
2	Peer-group based	4.30	33	4.12	34	3.94	34
3	Technology-based	3.18	33	3.21	33	2.39	33
4	Action-oriented	4.15	33	4.06	33	3.58	33
5	Benchmarking	3.91	33	4.03	33	3.39	33
6	Broadening techniques	2.72	29	2.38	29	3.83	30

In the services sector, the value given to action-oriented learning in the area of knowledge and understanding is rather high, while the rest of the pattern follows the general one. Learning sources, and the values that individual managers attribute to them, are closely related to learning habits. Responses to a question on learning sources are shown in Table 6.18.

Table 6.18: Learning sources

Sources		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	Family and friends	2.38	57	2.38	24	2.38	33
2	Reading	3.83	60	3.62	26	4.00	34
3	TV and media/school	2.49	59	2.31	26	2.64	33
4	Peers and colleagues	3.38	60	3.21	26	3.50	34
5	Consultants	3.87	61	3.74	27	3.97	34
6	Foreign business partners	3.48	59	3.30	25	3.62	34
7	Formal business training	4.10	61	4.26	27	3.97	34
8	Other	4.50	4	5.00	2	4.00	2

The above data are quite consistent with those on learning habits and the preferred types of training discussed above, as well as with the findings on past experience and the lessons learnt, which are presented in Chapter 5. The learning sources considered most important are formal business training programmes and consultants, closely followed by reading. The high scores given to other methods (mainly study visits and learning from best practices) also improve the position of the business partner category (though not necessarily foreign business partners). There are some differences between the sectors. In the services sector, for example, reading is considered as the most valuable source, while in the manufacturing sector, formal business training is accorded clear priority.

6.3 *General managers' training needs and attitudes*

There are several reasons for presenting the results from this segment of the survey as a separate section of the report:

- the role that general managers play in their companies, particularly in the area of conceptualising the company vision, articulating its mission and formulating and implementing overall strategies;
- the role that general managers either already play, or should play in the future, in integrating human resources development, particularly management training and management development activities, into the overall strategies of their firms;
- the findings presented above, which indicate that management capabilities are, to some extent, under-utilised, because of the primary focus on operational tasks, rather than on those of a more strategic and long-term nature;
- the fact that general managers perceive the human resources function as one of the key problem/opportunity areas and, consequently, as one of the training areas with the highest priority; and
- the leadership role that general managers play, which also presumes that they act as a role model and an example to others.

Because of these reasons, it seemed opportune to present the results on the analysis of the managers' own training needs, preferred types of training, learning habits and most usual learning sources in this section. These elements are likely to have an important impact on general attitudes towards management training and human resources development.

Table 6.19 provides data on the personal training needs identified by general managers grouped into the four main skill areas. Details are given in Appendix 6.10.

Table 6.19: Personal training needs of general managers

Problem/opportunity area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1-12	Functional skills	4.00	16	3.89	9	4.14	7
13-15	Managerial skills	3.60	5	3.00	2	4.00	3
16-23	Leadership skills	4.00	16	4.44	9	3.43	7
24-27	General skills	2.50	4	4.00	1	2.50	3
1-27	TOTAL	3.80	41	4.05	21	3.55	20

Perhaps surprisingly, training programmes in functional skills are mentioned as often and valued as highly as programmes in leadership skills. However, there are some differences between the sectors.

First of all, the average number of training programmes suggested by general managers in the manufacturing companies is higher than in the services sector. Secondly, in the manufacturing sector, general managers value leadership training more highly, while their colleagues from the services sector accord greater value to training programmes in the area of functional skills and also emphasise the value of managerial skills.

Data on managers' preferences in the types of training programmes they would like to attend are shown in Table 6.20.

Table 6.20: Types of training programmes preferred by general managers

Types of training		Total	Manufacturing	Services
1	Long study programmes	3.00	2.80	3.20
2	Medium-length programmes	3.82	3.67	4.00
3	Short public seminars	3.82	3.83	3.80
4	Short in-house seminars	4.20	3.80	4.60
5	Distance learning	2.20	1.80	2.60
6	Study visit to a foreign company	3.70	3.80	3.60
7	Other (please specify)	4.00	—	4.00

In interpreting the data from this table, one should remember that, when describing their own training needs, general managers expressed the same level of interest in improving their leadership and professional skills. Nevertheless, the data indicate that they value in-house seminars most highly. This is due, largely, to a clear preference for this type of training among general managers in the services sector.

The learning habits and most usual learning sources of general managers are presented in Tables 6.21 and 6.22 respectively.

Table 6.21: The learning habits of general managers

Learning method		Overall			Manufacturing			Services		
		Knowledge and understanding	Skills and competence	Values and attitudes	Knowledge and understanding	Skills and competence	Values and attitudes	Knowledge and understanding	Skills and competence	Values and attitudes
1	Traditional	4.36	4.00	3.66	4.33	3.83	3.33	4.40	4.20	4.20
2	Peer-group based	3.91	4.00	3.64	3.66	3.83	3.16	4.20	4.20	4.20
3	Technology-based	2.70	2.60	1.80	2.40	2.60	1.80	3.00	2.60	1.80
4	Action-oriented	3.82	4.00	2.91	3.33	3.66	2.33	4.40	4.40	3.60
5	Benchmarking	3.82	3.91	3.20	3.50	3.50	2.60	4.20	4.40	3.80
6	Broadening techniques	2.55	2.78	4.33	2.00	2.00	3.80	3.25	3.75	5.00

General managers usually use traditional methods to acquire new knowledge and understanding. They tend to value this method even more highly than individual managers. The second most highly valued method in this category of capabilities is peer-group based, while action-oriented methods and benchmarking share third position. As for skills and competence, three methods seem to be equally important for general managers: traditional, peer-group based and action-oriented ways of learning. In contrast to their subordinates, general managers indicate that broadening techniques are the most appropriate method for upgrading the ‘values and attitudes’ component of their overall capabilities. They also value traditional methods considerably more than individual managers.

At this point, it seems important to draw attention to the level of preference for technology-based methods. General managers accord by far the lowest value to this type of method. This certainly reflects the structure of their work and the work methods they tend to use. As far as IT is concerned, their focus is more on requiring their subordinates to use technology, than on using this relatively new source of information and learning themselves. Seen in this light, the value individual managers accord to this method is, in fact, surprisingly high. We consider this to be one of the most important and encouraging findings of the survey.

Table 6.22: Sources of learning sources used by general managers

Learning source		Total	Manufacturing	Services
1	Family and friends	2.73	2.50	3.00
2	Reading	3.90	3.60	4.20
3	TV and media	2.70	2.40	3.00
4	Peers/colleagues	3.36	3.17	3.60
5	Consultants	3.82	3.33	4.40
6	Foreign business partners	3.60	3.20	4.00
7	Formal business training	4.27	4.50	4.00
8	Other (please specify)	4.00	—	4.00

General managers consider formal business training to be their most valuable source of learning. The high ranking this source gets can be attributed to the particularly high value accorded to formal training by managers in the manufacturing sector. The second most valuable source is reading, while business consultants are also very highly valued. This score reflects the preferences of general managers in the services sector, who consider consultants to be the most valuable source, followed by reading as a close second.

7. Currently planned training strategies and actions

Given the findings that have already been presented on the role the human resources function currently play, it is not at all surprising to find that most of the companies do not have strategies or formal plans for human resources development, management development or management training.

Of the 12 human resources managers surveyed, only two from the services sector said that their companies had strategies and plans for management training. Two human resources managers from manufacturing companies stated either that they had a tentative document of this type or that a strategic document was being developed. The others were asked to explain why they had no such documents.

The most frequently mentioned reason for not having a management training strategy is that companies are used to having annual plans in that area. However, the companies that gave this reason did not provide any information on what was in the plans for the coming year.

One company from the services sector provided a more meaningful explanation. According to the human resources manager, the main reason why the company had no strategy on management training was that top management had no clear idea about existing management capabilities or about the critical knowledge and skills that were lacking. In addition, the status of the whole human resource function was rather low and its actual influence even lower. Therefore, activities in the area of human resource development and management training were based, mainly, on personal initiatives of managers who had a marked preference for personal development. Nevertheless, according to the human resources manager, some attempts had been made in the past to improve the position of human resources and to formulate formal strategies and plans, but these activities had stopped when the process of major organisational restructuring got under way.

Another human resources manager provided an answer which deserves to be quoted:

“We do not have a strategic plan in the area of human resource development and management training because we do not have strategic planning in any area.”

It may be concluded that these findings and explanations reflect the real situation regarding strategic thinking and planning in the area of management training in Slovenia.

Most companies have, in fact, no training strategy. This means that this chapter on future training activities is based only on data from the four companies that actually have plans for programmes and activities in this area. The programmes mentioned by these companies are grouped, according to the methodology used in the survey, into the categories of functional, managerial, leadership and general skills (see Table 7.1).

As regards training methods, there is a marked preference for short public, and particularly short in-house, seminars and workshops and slightly greater emphasis on MBA and other post-graduate studies. In addition to the usual methods, some innovative approaches, such as the in-house business school concept (corporate academia), special programmes for continual training etc., are also mentioned.

Companies plan to use both professional providers (primarily consultants, business schools and management development centres) and in-house resources to implement their training programmes. It is interesting to note that suppliers and customers will also be involved. Some external professional providers have already been identified, while others will be selected on the basis of the criteria already discussed in previous sections of this report.

Table 7.1: Currently planned training programmes

Area/programmes	Area/programmes
FUNCTIONAL SKILLS	MANAGERIAL SKILLS
Market research	Business excellence programmes
Marketing	Managerial effectiveness
Law and legislation (related to VAT)	MBO – Management by objectives
Insurance	Problem-solving techniques
Human resources management	Project management
Finance (the impact of Euro)	Presentation skills
Accounting	Strategic partnerships
R&D management	Customer loyalty
Technology and operations	
Quality management (TQM)	
Sales management	
Safety and security	

Area/programmes	Area/programmes
LEADERSHIP SKILLS	GENERAL SKILLS
Creativity and entrepreneurship	Foreign languages
Communication skills	Computer skills
Negotiation skills	Managing stakeholders
Team work	

In considering the future demand for management training services in the light of the findings from this survey, it would be useful to refer back to the programmes suggested by individual managers and presented in Chapter 6 of this report. The focus of this chapter, however, is the extent to which those programmes are included in annual, or any other, formal or informal, plans or intentions. The data presented in Table 7.1 show how individual managers responded to the question on the status of the training programmes they suggested.

Table 7.2: Status of training programmes suggested by individual managers

Programmes included in human resources plans	Overall	Manufacturing	Services
No	1 (59)	1 (26)	—
Yes	14 (59)	5 (26)	9 (33)
Partly	44 (59)	20 (26)	24 (33)
Don't know	—	—	—

In total, almost 24% of the programmes have already been included in future management training plans, while an additional 75% could be viewed as partially included.

This indicates that the enterprises in the sample will continue to increase their efforts in the area of management training at an average annual rate of between 15 and 20%.

This is also confirmed by data on investment in management training provided by human resource managers from eight companies (US\$1.93 and US\$2.26 million for the years 1998 and 1999 respectively), which indicate an increase of 17.1%.

8. Conclusions and recommendations

Since previous chapters contain many comments and a lot of information and self-explanatory quantitative data, this section will concentrate on providing some suggestions for what will, hopefully, be a more intensive, productive and fruitful dialogue between the main actors involved in the training process, i.e. between the managers themselves and the training service providers.

The managers' comments were sincere, clear and straightforward (as were their answers to sometimes difficult, even provocative, questions). Consequently, they do not have to be interpreted, but should just be quoted.

General managers:

- "Get as close to your clients as possible. Respect their practical needs. However, do not forget that they need to broaden their horizons. This is what leaders (educated managers) need."
- "We need new approaches and business improvement programmes like those developed by consultancy firms (on TQM, re-structuring etc.). Knowledge is the key factor in competitiveness but the training process should also take the specific characteristics of industrial sectors and branches, as well as the particular problems and needs of companies, into account."
- "Be as practical as possible."
- "Teach us team-work! Come here and deliver in-house workshops. I would like all my people to share the same concepts, frameworks and ideas."
- "Teach us about lifelong learning, how to continuously add to our knowledge, improve our skills and build new values and attitudes."
- "Support your questionnaires with additional interviews. That could clarify things."
- "Include in your questionnaires questions on how much time we devote to personal development and learning and on the effectiveness of our training. Evaluate our managerial/leadership styles."

Human resources managers:

- “Follow the emerging global trends resulting from the changes in the environment, and maintain the high level of quality that has already been achieved.”
- “Follow world trends, but do not forget to follow up on the programmes that you have implemented at our place. Analyse the results and respect the real needs of the customer. Do not interpret foreign practices. Bring people from abroad.”
- “Be more customer-oriented, understand their needs and bring lecturers who have practical experience and achievements behind them.”
- “Lecturers should know and understand the real problems of the company, otherwise the training cannot be effective and there is no direct value added.”
- “The questionnaires are too general. Be more specific, make a list of concrete programmes and see what our reaction will be. But come with new ideas, something that does not exist in your current portfolio of activities.”
- “You have to identify internal sponsors within the company and help them to sell the idea of management training to the rest of the company management.”

Researchers (perhaps lecturers, too) used to think that they are entitled to be more complicated in their expressions, using their standard combination of “on the one hand ... (a short, perhaps, polite phrase may follow), while on the other hand ... (*a more ironical, perhaps even cynical, message will almost certainly follow*). If this is true, the thoughts of the researchers on this project might be expressed by the following conclusions (on the one hand) and recommendations (on the other hand).

On the one hand,

- “Slovene enterprises have made impressive strides in the process of transition. They have positioned themselves well to face even more difficult challenges and increasingly complex problems. However, they must be ready to change at least as much again as they have done so far.”

On the other hand,

- “*not all enterprises are aware of this.*”

On the one hand,

- “most companies report that they do have overall and comprehensive strategies while every one of the general managers mentioned that the human factor is considered central to competitiveness in his/her company”.

On the other hand,

- *only a few (too few) companies have strategic approaches to management development and human resources and this raises the question of how comprehensive their overall strategies are if they do not include this key factor.*

On the one hand,

- general managers value the overall capabilities, and, particularly, the core (managerial) skills, of their managerial staff relatively highly,

while, on the other hand,

- *they assign managers tasks that are professional rather than managerial in nature and expect them to be even more oriented to professional (practical) tasks in the future."*

The researchers might continue with this countless exchange of the "on the one hand" and "on the other hand" interpretations of the survey results. But they will not do that. Why?

It is simply because the researchers are extremely grateful to all those who have made this research possible, particularly the companies and their managers who devoted their precious time to answering the questionnaires.

This project was a tremendous learning experience for the researchers involved. It was also their response to managers' recommendations: "Come closer to us and see what customers really need. Be practical."

The value of this research document lies in the fact that it is a joint product of researchers and enterprise managers. Its value is pragmatic, though not necessarily practical. The practical value will be realised only if and when the document inspires further *dialogue* between the users and the providers of training services.

This dialogue could start with what general managers and human resources managers have identified as the key problem/opportunity area: the human resources function. In fact, this is exactly what one of the essential recommendations of this research is.

HUMAN RESOURCES DEVELOPMENT SHOULD START WITH THE DEVELOPMENT OF THE HUMAN RESOURCES FUNCTION.

This is the "internal sponsor" that training providers were advised to find. More importantly, it is also the internal sponsor that general managers need to communicate their strategic vision to those who will implement that vision. Most importantly of all, it is this internal sponsor who will help individual managers to articulate and formulate their real training needs, both in the context of the company's strategic vision and from the perspective of personal growth, self-fulfilment and satisfaction.

The role of the providers looks much simpler. They only have to service these needs. To do this, however, they must first know what the needs are. This research was an attempt to identify those needs. It was one of the first, if not *the* first, such attempt to focus on the demand side. Other efforts in this area will, hopefully, follow.

Appendices

Appendix 2.1: List of companies surveyed

No.	Company	General Managers	Human Resource Managers	Individual Managers
MANUFACTURING SECTOR		6	5	27
1	Lek	–	–	1
2	Krka	–	–	3
3	Pecivo – Pivka	1	1	3
4	Gea	–	–	1
5	Gorenje	1	1	3
6	Rotomatika	1	–	4
7	Elan	1	–	2
8	Sava	–	1	–
9	Kovinoplastika	1	1	5
10	Pivka	1	1	5
SERVICES SECTOR		5	7	34
1	NLB	–	–	5
2	Nova KBM	–	1	4
3	Triglav	–	1	5
4	Mobitel	1	1	1
5	Luka Koper	1	1	4
6	Petrol	1	1	4

No.	Company	General Managers	Human Resource Managers	Individual Managers
7	Hermes Softlab	–	1	6
8	Kovinotehna	1	–	5
9	Metropol	1	–	–

Appendix 2.2: Some data on the companies surveyed

	FIRM 1	FIRM 2	FIRM 3	FIRM 4	FIRM 5
SERVICES SECTOR					
Employment	638	2,800	1,126	30	–
Total revenue	62	609	230	6	–
Exports	48	–	20	–	–
Profit	12	12	0	1	–
Assets	210	505	144	20	–
Total investments	90	373	11	20	–
Investment in technology	30	–	3	0.5	–
MANUFACTURING SECTOR					
Employment	6,660	730	1,256	1,200	453
Total revenue	650	60	166	70	25
Exports	585	48	150	50	3
Profit	16	0.8	0	3	0
Assets	400	26	237	40	39
Total investments	120	20	15	30	3
Investment in technology	90	14	15	25	–

Appendix 2.3: Data on general managers

	Education	Age	Experience	Years in company	As General Manager
MANUFACTURING SECTOR					
Firm 1	Diploma	43	19	2	2
Firm 2	MBA	34	10	10	3
Firm 3	Diploma	47	–	–	1
Firm 4	Diploma	50	23	15	11
Firm 5	MS	29	7	2	2
Average	–	41	12	7	4
SERVICES SECTOR					
Firm 1	Diploma	54	30	21	13 + 6
Firm 2	Diploma	43	18	10	1
Firm 3	Diploma	44	20	20	–
Firm 4	MBA	46	22	9	9
Average	–	47	22.5	15	10

Appendix 2.4: Data on human resources managers

	Education	Age	Experience	Years in company	As Human Resources Manager
MANUFACTURING SECTOR					
Firm 1	Diploma	41	18	16	16
Firm 2	MS	35	12	12	2
Firm 3	MS	45	21	21	4
Firm 4	Diploma	50	24	24	10
Average	—	42.75	18.75	18.25	8.00
SERVICES SECTOR					
Firm 1	Diploma	49	30	25	6
Firm 2	Diploma	50	25	1	1
Firm 3	MS	26	2	2	2
Firm 4	Diploma	34	9	1	1
Firm 5	Diploma	51	28	23	18
Firm 6	Diploma	45	24	24	1
Average	—	42.5	20	13	4.83

Appendix 2.5: Data on individual managers surveyed - manufacturing sector

	Education	Age	Experience	Years in company
1	Diploma	30	7	7
2	MS	38	14	14
3	MBA	34	11	11
4	Diploma	32	7	7
5	Diploma	48	23	21
6	Diploma	51	26	11
7	Diploma	51	31	1
8	Diploma	53	28	11
9	Diploma	36	13	13
10	Diploma	31	6	6
11	Diploma	34	11	11
12	High school	40	17	17
13	Diploma	28	2	2
14	Diploma	25	2	2
15	Diploma	28	2	2
16	Diploma	37	13	13
17	MBA	37	15	2
18	Diploma	58	36	35
19	Diploma	43	20	20
20	Diploma	49	24	24
21	Diploma	58	37	13
22	Diploma	45	24	24
23	Diploma	38	13	13
24	MS	49	24	24
25	Diploma	36	10	10
26	Diploma	38	14	14
27	Diploma	38	13	13
Average	–	40.2	16.4	12.6

Appendix 2.6: Data on individual managers surveyed – services sector

	Education	Age	Experience	Years in company
1	Diploma	35	10	3
2	Diploma	45	20	15
3	MS	37	13	3
4	Diploma	40	19	9
5	Diploma	44	18	16
6	Diploma	45	22	11
7	Diploma	37	14	14
8	Diploma	51	29	27
9	Diploma	40	20	20
10	Diploma	35	11	11
11	Diploma	36	10	10
12	High school	43	20	4
13	Diploma	49	23	4
14	Diploma	34	10	10
15	MBA	35	11	11
16	MBA	31	9	9
17	MBA	40	15	18
18	Diploma	43	19	19
19	Diploma	58	34	–
20	MBA	34	9	9
21	Diploma	48	25	6
22	MBA	40	18	10
23	Diploma	31	6	6
24	MS	38	13	7
25	Diploma	32	11	5
26	Diploma	36	11	3
27	Diploma	30	6	6
28	Diploma	29	3	3

	Education	Age	Experience	Years in company
29	Diploma	33	10	2
30	Diploma	35	13	12
31	Diploma	33	8	6
32	Diploma	43	25	21
33	Diploma	44	16	16
Average	–	39.5	15.9	11.3

Appendix 2.7: Age structure of individual managers

Age		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	25-30	6	10.0	4	14.8	2	6.1
2	31-35	15	25.0	4	14.8	11	33.3
3	36-40	18	30.0	9	33.4	9	27.3
4	41-45	9	15.0	2	7.4	7	21.2
5	46-50	5	8.3	3	11.1	2	6.1
6	51-55	4	6.7	3	11.1	1	3.0
7	56+	3	5.0	2	7.4	1	3.0
TOTAL		60	100.0	27	10.00	33	100.0

Appendix 5.2: Training programmes attended by individual managers

Training programme areas		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
1	General management	33	8.1	14		19	
2	Corporate governance and corporate law	8	2.0	–	–	8	
3	Accounting and auditing	17	4.2	11		6	
4	Corporate finance	29	7.1	10		19	
5	Marketing	36	8.9	13		23	
6	Sales	15	3.7	3		12	
7	R&D and innovation processes	6	1.5	4		2	
8	Technology, operations and logistics	12	3.0	5		7	
9	Quality management	49	12.1	19		30	
10	Management information systems	4	1.0	2		2	
11	Human resources	25	6.2	7		18	
12	Public relations, including relations with public authorities	1	0.2	–		1	
<i>Sub-total: functional skills</i>		235	58.0	88	54.0	147	60.7
13	Analytical skills	8	2.0	5		3	
14	Decision-making skills	4	1.0	3		1	
15	Project management skills	15	3.7	6		9	
<i>Sub-total: managerial skills</i>		27	6.7	14	8.6	13	5.4
16	Leadership and organisational behaviour	33	8.2	9		24	
17	Change management, including restructuring	15	3.7	5		10	
18	Creativity and entrepreneurship	5	1.3	3		2	
19	Interpersonal communications and effectiveness	20	5.0	5		15	
20	Negotiations	9	2.2	5		4	

Training programme areas		Overall		Manufacturing		Services	
		No.	%	No.	%	No.	%
21	Conflict management	3	0.7	3		–	
22	Business ethics	1	0.2	1		–	
23	Time management	3	0.7	1		2	
<i>Sub-total: leadership skills</i>		89	22.0	32	19.6	57	23.6
24	Computer skills	24	5.9	13		11	
25	Foreign languages	–	–	–		–	
26	Foreign cultures	30	7.4	16		14	
27	Managing stakeholders	–	–	–		–	
<i>Sub-total: general skills</i>		54	13.3	29	17.8	25	10.3
TOTAL		405	100.0	163	10.00	242	100.0

Appendix 6.1: General managers' views on main problem/opportunity areas

Problem/opportunity area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	General management	5.00	1	–	–	5.00	1
2	Corporate governance and corporate law	–	–	–	–	–	–
3	Accounting and auditing	3.50	4	3.50	2	3.50	2
4	Corporate finance	5.00	1	5.00	1	–	–
5	Marketing	4.50	6	5.00	3	4.00	3
6	Sales	4.00	3	4.00	1	4.00	2
7	R&D and innovation processes	3.50	2	4.00	1	3.00	1
8	Technology, operations and logistics	3.50	2	3.50	2	–	–
9	Quality management	3.50	2	3.50	2	–	–
10	Management information systems	4.00	2	4.00	2	–	–
11	Human resources	4.66	6	5.00	2	4.50	4
12	Public relations, including relations with public authorities	–	–	–	–	–	–
<i>Sub-total: functional skills</i>		<i>4.14</i>	<i>29</i>	<i>4.19</i>	<i>16</i>	<i>4.07</i>	<i>13</i>
13	Analytical skills	–	–	–	–	–	–
14	Decision-making skills	–	–	–	–	–	–
15	Project management skills	3.00	4	2.66	3	4.00	1
<i>Sub-total: managerial skills</i>		<i>3.00</i>	<i>4</i>	<i>2.66</i>	<i>3</i>	<i>4.00</i>	<i>1</i>
16	Leadership and organisational behaviour	4.66	3	5.00	1	4.50	2
17	Change management, including restructuring	3.66	3	3.66	3	–	–
18	Creativity and entrepreneurship	4.00	3	3.00	1	4.50	2
19	Interpersonal communications and effectiveness	3.75	4	3.66	3	4.00	1
20	Negotiations	–	–	–	–	–	–

Problem/opportunity area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
21	Conflict management	3.00	1	3.00	1	–	–
22	Business ethics	–	–	–	–	–	–
23	Time management	–	–	–	–	–	–
<i>Sub-total: leadership skills</i>		3.93	14	3.66	9	4.40	5
24	Computer skills	–	–	–	–	–	–
25	Foreign languages	–	–	–	–	–	–
26	Foreign cultures	–	–	–	–	–	–
27	Managing stakeholders	–	–	–	–	–	–
<i>Sub-total: general skills</i>		–	–	–	–	–	–
TOTAL		3.98	47	3.86	28	4.16	19

Appendix 6.2: Human resources managers' views on main problem/opportunity areas

Problem/opportunity area		Overall		Manufacturing		Services	
		No.	Imp.	No.	Imp.	No.	Imp.
1	General management	3	4.33	1	4.00	2	4.50
2	Corporate governance and corporate law	–	–	–	–	–	–
3	Accounting and auditing	–	–	–	–	–	–
4	Corporate finance	–	–	–	–	–	–
5	Marketing	5	4.00	2	5.00	3	3.33
6	Sales	3	2.66	1	2.00	2	3.00
7	R&D and innovation processes	2	4.00	1	4.00	1	4.00
8	Technology, operations and logistics	2	3.50	2	3.50	–	–
9	Quality management	4	4.25	1	4.00	3	4.33
10	Management information systems	2	5.00	1	5.00	1	5.00
11	Human resources	6	4.17	3	3.33	3	5.00
12	Public relations, including relations with public authorities	1	3.00	1	3.00	–	–
<i>Sub-total: functional skills</i>		28	3.96	13	3.77	15	4.16
13	Analytical skills	–	–	–	–	–	–
14	Decision-making skills	–	–	–	–	–	–
15	Project management skills	5	3.40	2	3.50	3	3.33
<i>Sub-total: managerial skills</i>		5	3.40	2	3.50	3	3.33
16	Leadership and organisational behaviour	4	4.75	1	5.00	3	4.66
17	Change management, including restructuring	3	5.00	1	5.00	2	5.00
18	Creativity and entrepreneurship	1	5.00	1	5.00	–	–
19	Interpersonal communications and effectiveness	7	4.28	3	4.33	4	4.25
20	Negotiations	1	4.00	–	–	1	4.00

Problem/opportunity area		Overall		Manufacturing		Services	
		No.	Imp.	No.	Imp.	No.	Imp.
21	Conflict management	1	3.00	–	–	1	3.00
22	Business ethics	1	4.00	–	–	1	4.00
23	Time management	2	3.50	–	–	2	3.50
<i>Sub-total: leadership skills</i>		20	4.35	6	4.66	14	4.21
24	Computer skills	1	3.00	1	3.00	–	–
25	Foreign languages	–	–	–	–	–	–
26	Foreign cultures	1	3.00	–	–	1	3.00
27	Managing stakeholders	–	–	–	–	–	–
<i>Sub-total: general skills</i>		2	3.00	1	3.00	1	3.00
TOTAL		55	4.02	22	3.95	33	4.06

Appendix 6.3: General managers' views on training priorities

Suggested training programmes		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	General management	5.00	1	–	–	5.00	1
2	Corporate governance and corporate law	–	–	–	–	–	–
3	Accounting and auditing	3.66	3	3.00	1	4.00	2
4	Corporate finance	–	–	–	–	–	–
5	Marketing	4.40	5	4.33	3	4.50	2
6	Sales	4.50	2	–	–	4.50	2
7	R&D and innovation processes	4.00	1	4.00	1	–	–
8	Technology, operations and logistics	4.00	2	4.00	2	–	–
9	Quality management	4.66	3	5.00	2	4.00	1
10	Management information systems	4.00	2	4.00	2	–	–
11	Human resources	4.72	7	4.33	3	5.00	4
12	Public relations, including relations with public authorities	–	–	–	–	–	–
<i>Sub-total: functional skills</i>		4.38	26	4.21	14	4.58	12
13	Analytical skills	–	–	–	–	–	–
14	Decision-making skills	–	–	–	–	–	–
15	Project management skills	3.75	4	3.50	2	4.00	2
<i>Sub-total: managerial skills</i>		3.75	4	3.50	2	4.00	1
16	Leadership and organisational behaviour	4.00	1	–	–	4.00	1
17	Change management, including restructuring	4.66	3	4.66	3	–	–
18	Creativity and entrepreneurship	3.66	3	4.00	1	3.50	2
19	Interpersonal communications and effectiveness	4.00	5	3.66	3	4.50	2
20	Negotiations	4.00	1	–	–	4.00	1

Suggested training programmes		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
21	Conflict management	–	–	–	–	–	–
22	Business ethics	–	–	–	–	–	–
23	Time management	–	–	–	–	–	–
<i>Sub-total: leadership skills</i>		4.08	13	4.14	7	4.00	6
24	Computer skills	–	–	–	–	–	–
25	Foreign languages	–	–	–	–	–	–
26	Foreign cultures	–	–	–	–	–	–
27	Managing stakeholders	–	–	–	–	–	–
<i>Sub-total: general skills</i>		–	–	–	–	–	–
TOTAL		4.23	43	4.13	23	4.35	20

Appendix 6.4: Human resources managers' views on training priorities

Suggested training programmes		Overall		Manufacturing		Services	
		No.	Imp.	No.	Imp.	No.	Imp.
1	General management	4	4.00	2	4.00	2	5.00
2	Corporate governance and corporate law	–	–	–	–	–	–
3	Accounting and auditing	–	–	–	–	–	–
4	Corporate finance	–	–	–	–	–	–
5	Marketing	2	4.00	1	5.00	1	3.00
6	Sales	4	4.25	3	4.00	1	5.00
7	R&D and innovation processes	–	–	–	–	–	–
8	Technology, operations and logistics	1	4.00	1	4.00	–	–
9	Quality management	3	4.66	1	4.00	2	5.00
10	Management information systems	1	4.00	1	4.00	–	–
11	Human resources	2	3.00	2	3.00	–	–
12	Public relations, including relations with public authorities	–	–	–	–	–	–
<i>Sub-total: functional skills</i>		<i>17</i>	<i>4.06</i>	<i>11</i>	<i>3.73</i>	<i>6</i>	<i>4.67</i>
13	Analytical skills	1	4.00	1	4.00	–	–
14	Decision-making skills	–	–	–	–	–	–
15	Project management skills	2	4.50	1	5.00	1	4.00
<i>Sub-total: managerial skills</i>		<i>3</i>	<i>4.33</i>	<i>2</i>	<i>4.50</i>	<i>1</i>	<i>4.00</i>
16	Leadership and organisational behaviour	2	5.00	1	5.00	1	5.00
17	Change management, including restructuring	1	4.00	–	–	1	4.00
18	Creativity and entrepreneurship	1	5.00	1	5.00	–	–
19	Interpersonal communications and effectiveness	5	4.80	3	5.00	3	4.66
20	Negotiations	1	4.00	–	–	1	4.00

Suggested training programmes		Overall		Manufacturing		Services	
		No.	Imp.	No.	Imp.	No.	Imp.
21	Conflict management	1	5.00	–	–	1	5.00
22	Business ethics	1	4.00	–	–	1	4.00
23	Time management	1	4.00	–	–	1	4.00
<i>Sub-total: leadership skills</i>		13	4.57	4	5.00	9	4.44
24	Computer skills	2	3.50	2	3.50	–	–
25	Foreign languages	–	–	–	–	–	–
26	Foreign cultures	–	–	–	–	–	–
27	Managing stakeholders	–	–	–	–	–	–
<i>Sub-total: general skills</i>		2	3.50	2	3.50	–	–
TOTAL		35	4.23	19	4.05	16	4.47

Appendix 6.5: Types of training preferred by individual managers (overall)

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
1	General management	18	6	5	3	1	1	2	–
2	Corporate governance and corporate law	10	1	4	2	3	–	–	–
3	Accounting and auditing	8	1	1	4	–	–	2	–
4	Corporate finance	8	–	1	5	1	–	1	–
5	Marketing	13	–	3	4	3	–	2	1
6	Sales	8	2	2	–	1	–	3	–
7	R&D and innovation processes	5	–	2	1	–	–	2	–
8	Technology, operations and logistics	8	1	1	1	–	–	5	–
9	Quality management	15	2	5	4	4	–	1	–
10	Management information systems	4	1	1	–	1	–	1	–
11	Human resources	14	2	2	3	–	–	2	–
12	Public relations, including relations with public authorities	4	–	1	2	–	–	–	–
<i>Sub-total: functional skills</i>		115	16	28	34	14	1	21	1
13	Analytical skills	5	–	2	1	2	–	–	–
14	Decision-making skills	13	–	6	5	2	–	–	–
15	Project management skills	11	–	4	3	4	–	–	–
<i>Sub-total: managerial skills</i>		29	–	12	9	8	–	–	–
16	Leadership and organisational behaviour	24	2	11	5	5	–	–	1
17	Change management, including restructuring	12	–	3	1	4	–	4	–
18	Creativity and entrepreneurship	11	–	4	3	2	–	2	–
19	Interpersonal communications and effectiveness	15	–	3	6	5	–	1	–
20	Negotiations	8	–	2	3	3	–	–	–
21	Conflict management	4	–	–	2	2	–	–	–
22	Business ethics	4	1	1	–	2	–	–	–
23	Time management	10	–	–	4	5	–	1	–
<i>Sub-total: leadership skills</i>		88	3	24	24	28	–	8	1

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
24	Computer skills	9	–	2	3	4	–	–	–
25	Foreign languages	–	–	–	–	–	–	–	–
26	Foreign cultures	24	4	12	–	–	1	6	1
27	Managing stakeholders	3	–	–	1	2	–	–	–
28	Other	1	–	–	–	–	–	1	–
<i>Sub-total: general skills</i>		37	4	14	4	6	1	7	1
TOTAL		269	23	78	71	56	2	36	3

T - Total; IC - Short in-house programme; L - Long programmes; D - Distance learning; M - Medium duration; FP - Study visits to foreign partners; SP - Short public seminars; O - Other types

Appendix 6.6: Types of training preferred by individual managers – manufacturing sector

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
1	General management	8	3	2	1	1	–	1	–
2	Corporate governance and corporate law	5	–	1	2	2	–	–	–
3	Accounting and auditing	3	–	–	2	–	–	1	–
4	Corporate finance	3	–	–	3	–	–	–	–
5	Marketing	8	–	3	2	3	–	–	–
6	Sales	5	1	2	–	1	–	1	–
7	R&D and innovation processes	4	–	1	1	–	–	2	–
8	Technology, operations and logistics	5	1	–	–	–	–	4	–
9	Quality management	6	1	1	2	2	–	–	–
10	Management information systems	3	–	1	–	1	–	1	–
11	Human resources	5	–	2	3	–	–	–	–
12	Public relations, including relations with public authorities	3	–	1	2	–	–	–	–
<i>Sub-total: functional skills</i>		58	6	14	18	10	–	10	–
13	Analytical skills	2	–	1	–	1	–	–	–
14	Decision-making skills	7	–	3	3	1	–	–	–
15	Project management skills	3	–	1	2	–	–	–	–
<i>Sub-total: managerial skills</i>		12	–	5	5	2	–	–	–
16	Leadership and organisational behaviour	7	1	4	–	2	–	–	–
17	Change management, including restructuring	6	–	2	–	–	–	4	–
18	Creativity and entrepreneurship	5	–	3	–	1	–	1	–
19	Interpersonal communications and effectiveness	6	–	3	1	2	–	–	–
20	Negotiations	3	–	–	1	2	–	–	–
21	Conflict management	2	–	–	1	1	–	–	–

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
22	Business ethics	2	1	1	–	–	–	–	–
23	Time management	2	–	–	1	–	–	1	–
<i>Sub-total: leadership skills</i>		33	2	13	4	8	–	6	–
24	Computer skills	7	–	2	3	2	–	–	–
25	Foreign languages	–	–	–	–	–	–	–	–
26	Foreign cultures	14	3	5	–	–	1	4	1
27	Managing stakeholders	1	–	–	–	1	–	–	–
28	Other	–	–	–	–	–	–	–	–
<i>Sub-total: general skills</i>		22	3	7	3	3	1	4	1
TOTAL		125	11	39	30	23	1	20	1

T - Total; IC - Short in-house programme; L - Long programmes; D - Distance learning; M - Medium duration; FP - Study visits to foreign partners; SP - Short public seminars; O - Other types

Appendix 6.7: Types of training preferred by individual managers – services sector

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
1	General management	10	3	3	2	–	1	1	–
2	Corporate governance and corporate law	5	1	3	–	1	–	–	–
3	Accounting and auditing	5	1	1	2	–	–	1	–
4	Corporate finance	5	–	1	2	1	–	1	–
5	Marketing	5	–	–	2	–	–	2	1
6	Sales	3	1	–	–	–	–	2	–
7	R&D and innovation processes	1	–	1	–	–	–	–	–
8	Technology, operations and logistics	3	–	1	1	–	–	1	–
9	Quality management	9	1	4	1	2	–	1	–
10	Management information systems	1	1	–	–	–	–	–	–
11	Human resources	9	2	–	5	–	–	2	–
12	Public relations, including relations with public authorities	1	–	–	1	–	–	–	–
<i>Sub-total: functional skills</i>		<i>57</i>	<i>10</i>	<i>14</i>	<i>16</i>	<i>4</i>	<i>1</i>	<i>11</i>	<i>1</i>
13	Analytical skills	3	–	1	1	1	–	–	–
14	Decision-making skills	6	–	3	2	1	–	–	–
15	Project management skills	8	–	3	1	4	–	–	–
<i>Sub-total: managerial skills</i>		<i>17</i>	<i>–</i>	<i>7</i>	<i>4</i>	<i>6</i>	<i>–</i>	<i>–</i>	<i>–</i>
16	Leadership and organisational behaviour	17	1	7	5	3	–	–	1
17	Change management, including restructuring	6	–	1	1	4	–	–	–
18	Creativity and entrepreneurship	6	–	1	3	1	–	1	–
19	Interpersonal communications and effectiveness	9	–	–	5	3	–	1	–
20	Negotiations	5	–	2	2	1	–	–	–
21	Conflict management	2	–	–	1	1	–	–	–

Training area/Preferred types of programmes		T	L	M	SP	IC	D	FP	O
22	Business ethics	2	–	–	–	2	–	–	–
23	Time management	8	–	–	3	5	–	–	–
<i>Sub-total: leadership skills</i>		55	1	11	20	20	–	2	1
24	Computer skills	2	–	–	–	2	–	–	–
25	Foreign languages	–	–	–	–	–	–	–	–
26	Foreign cultures	10	1	7	–	–	–	2	–
27	Managing stakeholders	2	–	–	1	1	–	–	–
28	Other	1	–	–	–	–	–	1	–
<i>Sub-total: general skills</i>		15	1	7	1	3	–	3	–
TOTAL		144	12	39	41	33	1	16	2

T - Total; IC - Short in-house programme; L - Long programmes; D - Distance learning; M - Medium duration; FP - Study visits to foreign partners; SP - Short public seminars; O - Other types

Appendix 6.8: Types of training preferred by general managers

Problem/Opportunity Area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
1	General management	4.00	3	4.00	1	4.00	2
2	Corporate governance and corporate law	4.00	1	4.00	1	–	–
3	Accounting and auditing	–	–	–	–	–	–
4	Corporate finance	3.25	4	3.33	3	3.00	1
5	Marketing	4.00	1	4.00	1	–	–
6	Sales	–	–	–	–	–	–
7	R&D and innovation processes	–	–	–	–	–	–
8	Technology, operations and logistics	–	–	–	–	–	–
9	Quality management	4.00	3	4.00	2	4.00	1
10	Management information systems	–	–	–	–	–	–
11	Human resources	4.75	4	5.00	1	4.66	3
12	Public relations, including relations with public authorities	–	–	–	–	–	–
<i>Sub-total: functional skills</i>		4.00	16	3.89	9	4.14	7
13	Analytical skills	–	–	–	–	–	–
14	Decision-making skills	–	–	–	–	–	–
15	Project management skills	3.60	5	3.00	2	4.00	3
<i>Sub-total: managerial skills</i>		3.60	5	3.00	2	4.00	3
16	Leadership and organisational behaviour	4.50	2	4.00	1	5.00	1
17	Change management, including restructuring	4.42	7	4.60	5	4.00	2
18	Creativity and entrepreneurship	–	–	–	–	–	–
19	Interpersonal communications and effectiveness	3.75	4	4.50	2	2.00	2
20	Negotiations	–	–	–	–	–	–
21	Conflict management	4.50	2	4.00	1	5.00	1
22	Business ethics	–	–	–	–	–	–
23	Time management	2.00	1	–	–	2.00	1

Problem/Opportunity Area		Overall		Manufacturing		Services	
		Value	No.	Value	No.	Value	No.
<i>Sub-total: leadership skills</i>		4.00	16	4.44	9	3.43	7
24	Computer skills	–	–	–	–	–	–
25	Foreign languages	–	–	–	–	–	–
26	Foreign cultures	2.00	3	–	–	2.00	3
27	Managing stakeholders	4.00	1	4.00	1	–	–
<i>Sub-total: general skills</i>		2.50	4	4.00	1	2.00	3
TOTAL		3.80	41	4.05	21	3.55	20

Appendix 6.9: Types of training preferred by individual managers – manufacturing sector

Preferred types of training		Overall	Functional skills	Managerial skills	Leadership skills	General skills
1	Long study programmes (>3 months, e.g., executive MBA)	8.8	10.3	–	6.1	13.7
2	Medium-length programmes (1 week-3 months)	31.2	24.2	41.7	39.4	31.8
3	Short public seminars	24.0	31.1	41.7	12.1	13.7
4	Short in-house seminars	18.4	17.2	16.7	24.2	13.6
5	Distance learning	0.8	–	–	–	4.5
6	Study visit to a foreign company	16.0	17.2	–	18.2	18.2
7	Other (please specify)	0.8	–	–	–	4.5
TOTAL		100.0	100.0	100.0	100.0	100.0

Appendix 6.10: Types of training preferred by individual managers – services sector

Preferred types of training		Overall	Functional skills	Managerial skills	Leadership skills	General skills
1	Long study programmes (>3 months, e.g., executive MBA)	8.3	17.5	–	1.8	6.7
2	Medium-length programmes (1 week-3 months)	27.1	24.6	41.2	20.0	46.6
3	Short public seminars	28.5	28.1	23.5	36.4	6.7
4	Short in-house seminars	22.9	7.0	35.3	36.4	20.0
5	Distance learning	0.7	1.8	–	–	–
6	Study visit to a foreign company	11.1	19.3	–	3.6	20.0
7	Other (please specify)	1.4	1.7	–	1.8	–
TOTAL		100.0	100.0	100.0	100.0	100.0

