

REPORT

Assessing management training needs in Central and Eastern Europe

Survey of selected enterprises in Poland



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

Poland

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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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Executive summary

The current political and economic transformation processes in the former Eastern Bloc countries are extremely complicated. Transfer of knowledge – a concept which is self-explanatory – is central to those changes. Education is one way of transferring knowledge, and a good deal of research has been conducted in Poland into education as a whole, and management education in particular (Amsterdamski, 1994, Chmielecka, Osterczuk, 1995, Beksiak, 1996, Genell, 1997).

There have also been attempts to study management and managers' skills (Kunert, 1998). This report is based on the results of an international research project on the "*Assessment of Management Training Needs in Central and Eastern European Countries at the Achieved Level of Transition*". The project, sponsored by the European Training Foundation in Turin, was implemented by the Central and East European Management Development Association. It included five countries from the Region – Bulgaria, Poland, Romania, Russia and Slovenia – and covered management training needs in manufacturing and service sector enterprises.

The research focused on a cross-country analysis of the training required by enterprise managers in the Region in order to meet market requirements, confront international competition and contribute to the growth of their companies.

The aim of research was twofold. First, it aimed to provide a comparative review of the main issues relating to management training needs in the Region, together with some general findings and observations.

Far more significantly, however, it is hoped that the research will inspire interest in a more thorough analysis of the detailed information and data provided in the country reports and of their main findings, conclusions and recommendations.

The Polish survey was carried out using a self-administered questionnaire addressed to a sample of 20 industrial and service companies. The questionnaires were completed by three types of managers: general managers, human resource managers and individual (line) managers. The research team selected the initial sample, while the general manager and human resource manager in each company selected the individual managers to be surveyed.

The report assesses the training situation which has emerged in Poland over the past five years. It seeks to understand the views, not only of general and human resource managers, who organise such training, but also those of training recipients. It also seeks to ascertain the views of those individual managers who are now applying the principles they learned during training to their work.

It also examines how companies envisage using training as an aid to implement future strategy and seeks to assess the extent to which the perceived company needs cited by senior management coincide with the perceived needs noted by individual managers. The report attempts to place the survey results in the context of a transition economy. It starts, therefore, with an overview of the Polish economy, including the key economic indicators for the past five years.

The report goes on to evaluate the survey's findings on the extent to which training programmes represent a real response to organisations' strategic needs, regardless of the type of organisation involved and of whether there are training needs which have not been recognised.

Section 4 of the report assesses the current management capabilities in this cross section of companies from the perspective of general and individual managers, and indicates the extent to which current management capabilities have influenced decisions on training programmes within the sample companies.

This is underpinned in Section 5 by information on the evaluation of training programmes carried out to date within those organisations.

Section 6 makes recommendation on current training needs in Polish companies, focusing on the need for decision-making and negotiations skills, as well as the need to integrate training programmes into overall career development.

Sections 7 and 8 look forward to future actions, both by providing an overview of the training strategies and actions planned by the companies surveyed, and by presenting the recommendations which emerge from the study's findings. In particular, these sections focus on the way in which training needs could be more sharply defined in the future.

This survey highlights the clear gap that exists in the perceptions of the different groups of managers surveyed and in the strategic aims of their organisations. The report's recommendations concentrate on the need, first, to match company goals to training and, secondly, to develop a more serious attitude to the issue of staff development. Many senior and human resource managers do not consider staff development important. However, such leadership and attitudinal issues will gain in importance as the market stabilised.

Other significant findings are listed below.

- To date, less work has been done on 'soft' areas like management or personnel development. There is a need to develop particular training programmes to cover this deficit.
- Services are currently selected for pragmatic reasons such as price and the training provider's experience and reputation. While these criteria should be retained, companies should also pay attention to the added value provided by those offering training services.

- Human resource managers should be more involved in candidate selection, using objective appraisal procedures to ensure that the right skill levels are maintained within the firm.
- It is important for companies to consider issues like succession planning, and to pay more attention to training programmes addressing matters such as creativity, entrepreneurship and leadership.
- It would be useful for companies to consider packages offered by a wide range of institutions. Such packages could be integrated into a company's overall personnel training policy and structures, with the result that options offered could range from in-house training to tailored Executive MBA Programmes.
- The report found that there is a significant need for technology training and know-how transfer, both of which can be provided by distance learning and by using IT-based training provision.
- It is important for Polish institutions not only to acquire packages relating to functional skill areas, but also to acquire the diagnostic tools needed to help companies develop.

1. Introduction

1.1 *“Assessment of management training needs in transition economies”*

This report forms part of the international project on ‘*Assessing Management Training Needs in Central and Eastern European Countries at the Achieved Level of Transition*’, run by the Central and East European Management Development Association. The information derives from an international survey and investigation into training practices and training needs across five countries in the region. This report presents the results of the Polish survey.

The project’s aim is to provide an insight into training processes, procedures and practices in Central and Eastern Europe. It examines the manner in which training has been used to respond to the business needs created by the transition, and evaluates how training can be used in future to facilitate staff development in companies within the region.

1.2 *Brief overview of methodology*

The survey was carried out using a self-administered questionnaire addressed to a sample of 20 industrial and service companies in Poland. The questionnaire was directed at three groups of managers: general managers, human resource managers and individual managers. The research team selected the initial sample, while the general manager and human resource manager in each company selected the individual managers to be surveyed.

Since several companies in the survey combined manufacturing and service functions, and since no significant differences emerged in the practices of either sector, the research results have been combined. In those cases where significant differences were noted, they are commented on in the text.

The report assesses the training situation which has emerged in Poland over the past five years. It seeks to understand the views not only of general and human resource managers, who organise such training, but also those of training recipients. It also seeks to ascertain the views of those individual managers who are now applying the principles they learned during training to their work.

The report also examines how companies envisage using training as an aid to implement future strategy, and seeks to assess the extent to which the perceived company needs cited by senior management coincide with the perceived needs noted by individual managers.

1.3 *Aims of the report*

The report is intended to result in a series of guidelines and recommendations which can be used by a broad cross-section of organisations when discussing, evaluating and implementing training policy.

First, both national and supra-national public bodies will be provided with some benchmarks which can be used when assessing existing training programmes and when evaluating proposed broad-based training programmes.

Secondly, training programme users will have a point of reference to use when creating training programmes. Such users can include foreign investors working in relatively new markets, as well as indigenous firms seeking to become more competitive. The programmes thus created will then truly respond to the needs of managers in the day-to-day execution of their work, as well as the needs of those organisations seeking to improve the calibre of their workforce and ensure that it conforms to the strategic aims of their companies. Finally, the report will help both public and private sector training providers to tailor their programmes more closely to their clients' needs.

1.4 *Report outline*

The report attempts to place the survey results in the context of the transition economy. It thus starts with an overview of the Polish economy and reviews the key economic indicators over the past five years.

This overview includes information on specific sectors, as well as an evaluation of the scale of foreign direct investment in the country. Such investment has been a catalyst for change in Poland during the last decade. The specific institutions included in the survey are introduced and placed in the context of the economy. This section also presents the data needed to understand the overall economic and business environment.

The report goes on to evaluate the survey's findings regarding the extent to which training programmes provide a real response to organisations' strategic needs, regardless of organisation type. It also ascertains whether there are certain training needs which have not been recognised.

The report also aims to detect common threads linking the assessment and implementation of training programmes across the board. It highlights some key differences between state-owned and foreign-owned companies. At this point it should be noted that the term “general manager” is used to describe a firm’s Chief Executive or Managing Director. “Human resource manager” is used to denote the individual responsible for all aspects of personnel management and training. ‘Individual manager’ refers to both functional and departmental managers.

Section 4 of the report assesses the current management capabilities in this cross section of companies from the perspective of general and individual managers, and indicates the extent to which current management capabilities have influenced decisions on training programmes within the sample companies.

This is underpinned in Section 5 by information on the evaluation of training programmes carried out to date within those organisations.

Section 6 makes recommendation on current training needs in Polish companies, focusing on the need for decision-making and negotiations skills, as well as the need to integrate training programmes into overall career development.

Sections 7 and 8 look forward to future activities, both by providing an overview of training strategies and activities planned by the firms in the survey, and by presenting the recommendations which emerge from the study’s findings. In particular, these sections focus on the way in which training needs could be more sharply defined in the future.

2. Overview of the transition process in Poland

2.1 *The transition process at a national level*

A brief survey of the history of the Polish transition process is necessary to understand the processes currently taking place in the country.

2.1.1 *Business skills in the Polish economy*

Poland has been undergoing a process of transition to a market economy for just under a decade. It is worth noting that in Poland the economy was never totally centrally planned, since the majority of farms remained in private hands throughout the communist period. In addition, small private firms employing less than five people were permitted. Thus a section of the economy retained entrepreneurial and management skills throughout the communist period.

However, the majority of people worked in state-owned giants with little need for the skills required in a market economy. It should be stressed that, as a result, entrepreneurial management skills were acquired 'on the job'. Formal training frequently had a political aspect and was, therefore, viewed as irrelevant to profit-centred activity.

The Polish economy has undergone a radical transformation since 1989. With the majority of companies now in private hands and the entry of many international companies onto the market, a need has arisen for the rapid acquisition of the knowledge and skills required to operate in a free market. This need has been answered by the rapid expansion of the training industry, with training being delivered through a broad cross-section of organisations from small training companies to universities.

2.1.2 *The macro-economic environment*

An analysis of the macro-economic environment provides some indication of the scale and extent of the economic transition process that has taken place in Poland. It also highlights the changing structure of industry.

A consistent macro-economic policy has led to a steady rise in GDP accompanied by a drop in inflation. This extremely favourable economic environment has enabled domestic and international businesses to flourish.

Table 1: Macro-economic overview

Year	GDP growth rate in %	Inflation rate in %
1993	3.8	14
1994	5.2	13
1995	7.0	12
1996	6.5	11.5
1997	6.9	10.5
1998	6.0	10

(Source: Ministry of Finance)

2.1.3 *Changing structure of the economy*

The transition process has also seen the Polish economy switch its emphasis from manufacturing to services. The total Polish total labour force is currently 15.5 million, of whom approximately a quarter are employed in manufacturing industry and 30% in agriculture. However, the number employed full-time in agriculture has fallen steadily each year. Naturally, this impacts on both education and training policy, since future managers will need to be equipped with totally different skills.

Sixty-five per cent of Poland's GDP is currently generated by the private sector, and this figure is expected to rise to 80% by the year 2000. Privatisation is planned in sectors like steel, coal and telecommunications in line with IMF recommendations. Privatisation in the banking and insurance sectors is already underway. This has had an impact on the training needs of the organisations involved, since employees and management need to cope with different business methodologies and disciplines such as marketing and accounting.

There has also been an exponential increase in the number of privately owned firms now operating in Poland. Over two million privately owned firms are now said to be active on the Polish market.

There has also been a re-orientation of foreign trade over the past decade. The European Union now accounts for over two-thirds of Poland's foreign trade, as opposed to less than one-third at the start of the transition process. Again, private companies are the most significant export

players, accounting for over 80% of Poland's exports. This has created further skill needs within the labour market. These relate not only to obvious skills such as foreign languages, but also Total Quality Management, cost accounting and market research. These emerging needs must be considered when developing a training strategy.

2.1.4 Foreign direct investment in Poland

Foreign direct investment has had an enormous catalytic effect on the transition process. As well as providing the capital necessary to effect changes in industry, it has also affected the whole structure of the economy. Foreign direct investment has increased exponentially over the past five years, as can be seen in the table below.

Table 2: Foreign direct investment in Poland

Year	Cumulative foreign direct investment (in billions of US\$)
1993	3.5
1994	4.3
1995	6.8
1996	12.0
1997	17.7
1998 (half year)	22.5

Source: PAIZ (List of Major Foreign Investors, June 1998)

Increased competitiveness has led indigenous Polish manufacturers to improve their performance in areas such as marketing and consumer service, which were neglected under the previous system. Successive surveys by the Polish Agency for Foreign Investment highlight the role played by foreign investment in improving the quality of management skills in the economy as a whole. It is also worth noting the sectors in which foreign investors have been active, since this also impacts on the development of both the economy and management skills, which, in turn, affect training needs.

**Table 3: Foreign direct investment in Poland by sector
(investments over US\$1 million classified according to the
European Classification of Industrial Activity)**

Industry sector type	Existing investment (millions of US\$)
Food, drink, tobacco	326.9
Transportation	2511.9
Paper, printing, publications	928.0
Building materials	699.3
Telecommunications equipment	657.5
Chemicals and chemical products	606.8
Electrical and optical equipment	416.8
Electronic equipment	391.6
Glass	370.8
Industrial gases	242.2
Wood and furniture	210.5
TOTAL	11436.9

Source: PAIZ List of Major Foreign investors

Additional investment in the service sector – especially accounting, management consulting, advertising, public relations and market research – has provided the economy with a pool of skills. These skills are now being transferred to other sectors of the economy.

2.2 *Overview of the transition process at enterprise level*

2.2.1 *Ratio of industrial to service sector companies among those surveyed*

It must be remembered that, in the centrally planned economy, many elements of the service sector economy, especially those relating to financial and marketing services, were neither large nor well developed. The consequence was that, with the advent of a market economy,

there was a significant skill shortage in these areas. The fact that 40% of the companies included in the survey were from the service sector reflects the shift in the Polish economy towards this sector. It was felt that this shift is reflected in the uptake of training programmes as a whole.

2.2.2 *The size of the enterprises surveyed*

The survey attempted to accurately reflect the diversity of Polish business today, while also reflecting current practices in the training sector. For this reason, a broad range of enterprises was included. Of the enterprises surveyed 30% identified themselves as limited liability companies, while 20% said they were state-owned and the remainder did not state their legal status.

The enterprises surveyed ranged in size from three to 1,897 employees, with the average mode workforce being 200. In terms of financial strength, the enterprises' average median turnover was US\$3,000,000. Profits ranged from US\$100,000 to US\$100,000,000, with median profits of US\$1,000,000, while the median value of the enterprises' assets was US\$2,000,000.

Of course, these statistics relate to a broad range of companies. Some have low turnover and high profits, while others have a less healthy profit to turnover ratio. It is important to note the size and variety of companies included in the survey.

2.2.3 *Companies with a commitment to the future*

A look at the total value of investments over the last five years also indicates the range of companies covered. The average investment was US\$1,000,000, while the average value of investment in technology was US\$500,000. These figures reflect the stability of the companies included in the survey and the commitment to future company success by their managers.

This is confirmed by data on the focus of the companies' strategic thinking, as seen by their general managers. This data showed that all but one of the companies felt that the most important aspect of strategic thinking during the past five years was the development of a competitive strategy for the company (see Table GM5). This data also shows a widespread commitment to company development in terms of both technical and human resources. All but two of the companies surveyed ranked this as the second most important issue to have been addressed during the past five years.

Empirical data confirms that companies operating on the Polish market think in terms of long-term investment and profits, rather than in terms of quick returns – hence the commitment to training programmes as a means of investing in human resources. This applies to all the company types included in the survey, including the 15% of companies which are state-owned and awaiting privatisation, and the 25% of companies which have foreign capital investment.

40% of the companies surveyed believed that the scale and pace of change is one of the biggest challenges currently facing them. There were no obvious differences between these companies, which included all industrial sectors and company sizes, and others in the survey. Together with the commitment to technological and human resources investment, this suggests that the training issue is being systematically addressed and is being closely linked to organisational strategies.

Section 3 examines in more detail the challenges facing organisations, their strategic responses to those challenges, and the correspondence between those responses and the organisations' training and management development efforts.

3. Main challenges and strategic responses

The first stage of the survey was concerned with general managers' perceptions of the main challenges facing their firms (GM3). General managers were asked to identify the size and nature of the challenges facing their firms. They were able to choose between four main statements, which in turn were broken down into further statements

Table 4: Main challenges facing the firm

Statement	Percentage agreeing
Stable situation, with little likelihood of changes	46%
Need for change	33%
The firm is on the verge of change	46%
Radical transformation of the firm	26%

Interestingly, many respondents ticked more than one statement. Since the questionnaire instructions were very specific, and such statements did not occur later in the survey, it appears that many respondents felt that several of the statements were applicable to their particular situation.

This was exemplified by the head of an advertising agency who felt that, whilst his company's basic activity would remain unchanged, certain changes were necessary in respect of the range of services offered. He also felt that the company faced imminent change which would be externally dictated. By the same token, the general manager of a state-owned oil company on the verge of privatisation felt that, while the company was likely to enjoy steady growth, it needed to become more competitive. This company was on the point of introducing the changes needed to increase its competitiveness, and would be undergoing radical technological changes. Indeed, the companies surveyed viewed change as inevitable due to external pressures. The changes anticipated related to the need for increased competitiveness, rather than to radical change relating to the nature of the companies' activities.

Eighty-seven per cent of the general managers surveyed felt that their companies had a strategy relevant to the challenges confronting them during the next two to five years. This figure includes those general managers who expected their company to confront multiple challenges in the coming years. Thirteen per cent of general managers did not believe that their company had a strategy which would enable it to meet forthcoming challenges. This includes one general manager (of a privatised co-operative) who actually felt that his company was in a stable situation, and who did not anticipate any changes. The general manager of another industrial company felt that changes were pending, but did not anticipate the development of a medium or long-term strategy.

During the past five years, most companies' strategic thinking has been focused on gaining a competitive edge (point 1 – rated 4.21). This was closely followed by the rationalisation of systems and procedures, in particular those relating to budgeting and information systems (point 3 – rated 3.69). This, in turn, was followed by improving company competence and skills (point 5 – 3.46), in terms both of technology and of workforce skills. The least importance has been attached to the development of human resources (point 4 – rated 3.08), organisational structures (point 2 – rated 3.07), and changes in company culture (point 7 – rated 3.09).

Table 5: Focuses of strategic thinking (GM6)

Focuses of strategic thinking	Last five years	Next two years	Next five years
Developing business strategy	4.21	3.93	4
Organisation and internal structure	3.07	3.5	3.46
Improving systems and procedures	3.69	4	3.69
Developing human resources	3.08	3.07	3.38
Improving competencies and skills	3.46	3.36	3.92
Changing the company style	3.25	3.14	3.23
Changing the internal culture	3.09	3.5	3.45

This reflects the situation confronting companies in a transition economy. Such companies are facing an influx of foreign investors, and their top priorities must be to remain competitive and to improve the quality of their technical products or services. These companies have tended to make do with their existing human resources.

The survey reveals that general managers do not foresee any radical strategic changes over the coming two to five years. Those issues given the highest ratings will remain of key strategic importance in the future. This relates especially to strategic development, rationalising

systems and procedures, and improving company competencies and skills, including technical competence.

Again, less importance is attached to changes in factors such as the human resources potential (point 4 – rated 3.07 over the next two years, and 3.38 over the next five years), organisational culture (point 7 – rated 3.5 over the next two years, and 3.23 over the next five years) and management style (point 6 – rated 3.14 over the next two years, and 3.23 over the next five years).

It is significant that strategic thinking has concentrated, and will concentrate in the foreseeable future, on ‘hard’ strategic action elements such as systems, technology and competitive approaches. In contrast, there is less concentration throughout on ‘soft’ strategic thinking elements such as developing the human resources potential or organisational development. Strategic thinking appears to be driven either by external factors such as competition, or by technical and systems factors.

This is further highlighted by the responses to question 6, which asked respondents to describe strategic priorities. It should be noted that these are closely related to the external competitive environment. Over half the respondents expressed some form of competitor-related strategy, while 20% of respondents felt that technical standards (obtaining ISO certifications) were also of key importance. As a whole, Polish and Polish-based companies see the challenges facing their companies in terms of external market-centred issues and in terms of technical issues, while human resource issues are not viewed as key priorities. Of course, this will affect the importance attached to training issues. In view of the above responses, it is apparent that the types of training programme most likely to be valued are those addressing ‘hard’ issues such as technology, information systems and planning, rather than those addressing ‘softer’ issues such as management style.

The fact that just 14% of companies ‘always’ include management development programmes in their strategic plans, while such programmes are ‘often’ included by 50% of companies, and ‘sometimes’ by 36% of companies, indicates the low priority accorded to so-called soft skills. However, given the wording of the question, it can be assumed that management or human resources development issues are only addressed in the context of broader technically-focused strategic development programmes, rather than being addressed as issues in their own right.

It should also be noted that, in this analysis, there were no differences between the responses of companies in the service and industrial sectors, despite the fact that one might have expected the service sector to attach greater importance to ‘soft’ skills.

In summary, the main challenges are seen as coming from outside the company, while the company itself is seen as the locus of stability. It is, therefore, felt that change and training associated with it must address these challenges by improving systems, structures and technical standards. Less importance is attached to interaction and to the relationships between people in the company environment.

4. Assessment of current management capabilities

4.1 *Assessment of capabilities from the perspective of general managers*

The data resulting from the next phase of the survey underpins the point made in Section 3 regarding the focus of strategic thinking on 'hard' training areas (such as technical skills) rather than 'soft' areas such as interpersonal skills. Question 8 sought to elicit general managers' views on their staff's current capabilities. They were asked to rate functional skills (detailed in points 1 to 12), core skills and competencies (detailed in points 13 to 15), and values and attitudes (detailed in points 16 to 27).

Table 6: General managers' satisfaction with staff capabilities (GM8)

Management level	Functional skills	Core skills	Values/ attitudes
Board members	4.23	4.23	4.31
Top management	3.92	4.15	4.15
Middle management	3.54	3.62	3.85
Lower management	3.54	3.62	3.54
Professional	4.22	4.22	4
Management trainees	3.89	3.22	3.67

It is interesting to note that functional skills were ranked lower (on average) than core skills, competencies, values or attitudes, indicating that general managers were least satisfied with their subordinates' functional skills. Indeed, only board members and professional staff were graded '4' or above. In contrast, the general managers surveyed were most satisfied with the values and attitudes demonstrated by all management levels: the lowest ranking was 3.54 for lower management, while the highest ranking was 4.31 for board members. There was general

satisfaction with the core skills and competencies demonstrated by board members, top management and professionals (computer specialists, translators, engineers etc). General managers were least satisfied with the core competencies and skills demonstrated by management trainees. This table clearly shows general managers’ satisfaction – or dissatisfaction – with the different levels of management in the company.

Some of these findings are to be expected. It is, for instance, likely that management trainees would have lower core skill levels but would score fairly satisfactorily in terms of ‘values and attitudes’. By the same token, one would expect general managers to be reasonably satisfied with the skill levels of top management.

It is worth noting that general managers were most dissatisfied with the lower management level. As well as people on their way up, lower management presumably includes some managers who lack the skills to be promoted further.

It may be concluded that general manager feel that there is room for improvement, and thus a need for training, in respect of functional skills.

The picture that emerges when skills and qualities are translated into roles is shown in Table 7.

Table 7: Current management roles and aspirations

Management level	Current roles			Aspirations		
	Prof.	Manager	Leader	Prof.	Manager	Leader
Board members	4.54	4.4	4.54	4.83	4.77	4.93
Top management	4.42	4.64	3.67	4.82	4.77	4.27
Middle management	3.82	4.15	3.27	4.73	4.5	4.09
Lower management	3.75	3.83	3.09	4.36	4.09	3.5
Professional	4.3	3.33	2.56	4.56	3.62	4
New/trainee	3.75	3.57	2.57	3.86	3.5	3.67

The professional and managerial roles played by board members and members of top management are valued. The data shows that board members also play a leadership role. When analysing the roles to be played in the future, the importance attached to all management roles increases.

4.2 *Individual managers' assessments of management capabilities*

It is interesting to compare general managers' views of management capabilities with individual managers' views of the means of acquiring knowledge in respect of the three different skill areas. Some of the findings were not surprising. For instance, functional skills were obtained mainly from traditional sources such as universities, rated 4.03 by 94% of respondents. Benchmarking came second, rated 4.04 by 77% of respondents, indicating that comparison with other firms is important.

However, contrary to the findings for the general managers, individual managers were less satisfied with the learning methods in respect of core skills and competencies, and in respect of the development of values and attitudes, than with the learning methods in respect of functional skills. It was felt that core skills were acquired on the job and through one's peers, with 91% being highly satisfied with these learning methods.

Table 8: Learning habits of individual managers

Source	Functional skill	Core skill	Values/attitudes
High	4.04 (Benchmarking)	4.14 (On-the-job)	3.75 (Peers)
Low	3.12 (Technology)	3.28 (Technology)	2.88 (Technology)

Overall, individual managers were not very satisfied with the use of technological media as a means of learning, despite the increasing use by companies and by training and educational establishments of such media to provide training.

One of the main findings of this part of the research is the importance attached by individual managers to person-to-person knowledge transfer, and the fact that this corresponds to 'values and attitudes', the precise area with which general managers are most satisfied. The managers themselves are least satisfied with the learning methods in respect of the 'soft' elements detailed in points 16 - 27.

The findings certainly suggest that individual managers' needs would be met by training which addressed some of the 'soft' skills mentioned in points 16-27. However, since general managers did not see this as a need, such 'soft skills' should be integrated into other types of training addressing more obvious and easily defined work-related skills. Again, there were no significant differences of opinion between managers in different types of organisations. The most significant difference was between general and individual managers.

4.3 Perceptions of management capabilities in relation to the company's strategic needs

It has already been noted that the general managers relate the knowledge and skills gap to functional skills, while individual managers tend to relate this gap to 'soft' skills. Further data on this issue is provided in the responses to Questions 9 and 10.

As in the responses to Question 8, upper management levels are rated higher overall than lower management levels, implying that there are training needs at the lower level.

The gap between managers' current roles and aspirations (with regard to overall company strategy) is of particular interest (see Table 7). The biggest gap in expectations was between the current roles and aspirations of middle and lower managers. General managers were satisfied with the performance of board members and of very senior management. However, it should also be noted that general managers were far more satisfied with the technical aspects of managers' performance than with other, less tangible, aspects such as leadership, although this did not apply to very senior management. It seems that general managers do not expect low level managers to have such skills, and do not see them as a strategic issue.

The responses to Question 10 further emphasis the importance attached by general managers to functional skills. This question asked respondents to identify both problem areas and opportunities, thus highlighting areas where strategic thinking is important.

Again, the research shows a clear bias towards functional skills in senior management's strategic thinking (over 75% of the issues raised fall into categories 1-12). Indeed, half the issues raised relate to just 30% of the functions involving 'hard' skill areas such as logistics, quality management and information systems. It seems that values and attitudes are not a priority for general managers, since they account for less than a quarter of the issues raised. Yet these areas have a key impact on company activities such as re-organisation and negotiation, while a lack of skills in these areas may contribute to poor relationships within the workforce.

It should be noted that responses to this question were heavily influenced by the ownership structure of the company in question. Respondents citing issues in areas 16-27 tended to work for state-owned companies on the verge of privatisation. The general managers of such companies felt that the values and attitudes of the workforce were a problem which needed to be addressed.

The responses to Question 12 further confirm that the prevailing management development and training practices are not closely linked to strategic thinking. Less than 40% of the companies surveyed have a 'human resources audit' to identify special potential within the firm.

Table 9: General managers' responses when asked about the presence of a 'human resources audit' in their company (GM12)

Human resources audit	%
Is present	38.46
Is not present	61.54

In summary, these results indicate that lower management levels are primarily expected to be technically competent, while skills relating to issues such as leadership or negotiation are not regarded as factors which can be integrated into the strategic thinking of the firm. General managers prefer to focus on tangible training in specific technical skills.

5. Training experiences and lessons learnt

It is interesting to compare actual training practices with general managers' expectations in respect of their subordinates' skills and capabilities. In particular, data gleaned from the surveys of human resource managers, individual line managers and functional managers provide some points of comparison between practice and strategy.

5.1 Training volume, coverage and investment

The volume of training over the past five years shows that there have been extensive training programmes, especially at the higher management level whose members are more highly trained than other managers. Over 75% of board members have received training in major management disciplines, while many senior managers have also received such training. Interestingly, senior management training has focused on broader management disciplines like accounting, marketing and human resources management, rather than on specific skill areas such as sales or technology. It should be noted that board members have received training in most fields, while younger managers have received training focused on specific skill areas such as sales, accounting, technology and quality management.

An assessment of general managers' specific responses on training investment, and their broader expectations and evaluations of their management teams, indicates that investment has focused on the following areas: technology, training in specific skill areas for lower level managers, and training in a broader range of management disciplines for senior managers, as shown by general managers' responses to Question 11.

Learning methods provide a further insight into the training investment made by the companies surveyed. Such an insight is provided, by example, by human resource managers' responses to Question 16, showing that formal methods such as workshops are used least frequently, while informal methods such as joint projects, coaching, briefing/debriefing and individual study/training programmes are the most popular (each of these being ranked above 3).

Table 10: Training methods (HRM 16)

Method	Frequency
Team work	2.86
Coaching	3
Briefing and debriefing	3
Joint projects	3.29
Individual study/training	3.33
Workshops	2.6
Job rotation	3.25
Internal work guides	2.86
Other	0

In financial terms, training investment is around 20% of the investment in technology. In some cases, this figure falls to 10% (see human resource managers' responses to Question 24). However, in some cases human resource managers did not respond, leading to inconclusive results.

5.2 Content and concentration of training programmes

A pattern similar to that described above emerges when human resource managers define the training areas for various management levels. The concentration of training on board members is particularly high (48% as opposed to 8.11% of young management recruits). When addressing subject areas, it should also be noted that the greatest concentration was on the topics detailed in points 1 to 12, 23 and 24 (specific skills), rather than the broader based management skills detailed in points 16 to 23.

Table 11: Concentration of training

Managerial level	Board members	Top management	Middle management	Lower management	Professional	Young managerial recruits
Numbers receiving training	18	14	15	17	9	3
Share of training (%)	48.65	37.84	40.54	45.95	24.32	8.11

The numbers at each management level receiving training in the different areas again indicates that training is concentrated on senior managerial levels.

Table 12: Training frequency

Function	Board members	Top management	Middle management	Lower management	Professional	Young managerial recruits
General management	7	4	5	3	1	1
Accounting and auditing	4	7	5	3	1	1
Corporate finance	5	3	2	2	1	0
Marketing	5	3	4	5	2	0
Sales	4	3	4	3	3	1
Quality management	4	2	3	0	0	0
Management information systems	3	2	2	0	0	0
Human resources	4	4	2	0	0	0

A similar pattern starts to emerge when examining the concentration of training programmes attended by managers engaged in functional or task areas. It should be noted that the absolute number of managers attending training programmes has increased exponentially during the past five years, indicating increasing recognition of the need to upgrade skills (IM1). Again, the survey shows a concentration on functional skills such as sales, accounting and finance, management information systems and marketing. For example, 12% of individual managers had attended sales training programmes, while 8% had received finance training.

Table 13: Individual managers' view of frequency of training in specific areas (IM1)

Area	Frequency
General management	4
Corporate finance	8
Sales	12
Management information systems	6

Table 14 shows the growing number of managers who have undergone training.

Table 14: Annual number of persons trained

Year	Number of trainees
1998	38
1997	18
1996	9
1995	9
1994	2
1993	2
1992	0

However, an examination of management skills shows that practically no training has been provided in respect of such skills. Project management training – which is very akin to a functional skill – was the only training in this area received by any of the managers surveyed. Yet, even in this regard, just 2% of those surveyed received such training. Again, a higher level of attendance was noted in respect of more specific skills such as computer skills and foreign languages.

There is an especially low uptake in respect of all the leadership skills detailed in points 16 to 23, with only interpersonal skills and communications being marked. Since this area is closely related to sales and marketing, it is likely that its popularity was due to its skill content rather than the contribution of interpersonal skills and communication to a management team's leadership skills.

5.3 Training processes

Some similar patterns can be observed when examining training processes. The responses to Question 3 show that the majority of training organised and provided by human resource managers was concentrated on upper management levels. Top and middle management received the highest concentration of such training (44.74% each), while young management recruits received less than 10% of the training organised by human resource managers.

Table 15: Concentration of training by management level

Management level	Board members	Top management	Middle management	Lower management	Professional	Young managerial recruits
Numbers receiving training	15	17	17	13	7	3
Share of training (%)	39.47	44.74	44.74	34.21	18.42	7.89

It is also interesting to note that the methods or structures to deliver training reflect the management topics on which the training focused. The most common method was the short external course (43% of all training methods), closely followed by the short internal course (30%). There was a far lower uptake of longer-term training methods. For example, executive MBA or similar programmes represent just 3% of total training, and such programmes are concentrated on the upper management ranks. By the same token, distance learning – which is long-term both in its delivery and results – accounts for just 1% of total training delivered. However, individual managers indicated that their preferred learning method would be medium duration courses (45%), followed by long study programmes (19%) and short public seminars (20%).

Table 16: Learning methods preferred by individual managers

Preferred learning method	Frequency
Long study programmes	19
Programmes of medium duration	45
Short public seminars	20
Short in-house seminars	6
Distance learning	0
Study visit to a foreign company	5
Other	0

Information provided by human resource managers is reinforced by individual managers' responses to Question 1. Just 1% of human resource managers preferred MBA courses, while 21% preferred short external courses. The training areas mentioned tended to relate to points 1 to 12, i.e. functional skill areas, with a heavy concentration on marketing, sales, business studies and finance.

Table 17: Preferred type of training (IM1)

Type of training	Frequency
Course	6
Seminar	21
MBA	1
Workshop	1
Others	6

It is also important to note that most of the training programmes were provided by formal institutions such as consultancy firms, management centres and universities. This tends to underline the emphasis on formal training in specific skill areas, rather than on management development.

Table 18: Training providers

Provider	Frequency
University	5
Consultants	6
Business school	2
Foreign partner	2
Own firm	5
Management training institution	7

The training locations mentioned by individual managers are shown in Table 19.

Table 19: Training location

Location	Frequency
Own company	4
Within Poland	27
Abroad	2

Most training provided by external providers is carried out in Poland, while just 2% of training is provided abroad.

The focus on functional skills is also underlined by the manner in which individual managers learn. Most managers receive training in functional skills from traditional sources (94% of individual managers scored such sources as 4.03). However, the peer group is the preferred source for developing personal qualities (91% gave this method a score of 3.75 – the highest in this section). The survey results strongly suggest that personal qualities are developed informally rather than acquired in a formal learning environment, whilst the acquisition of technical knowledge via formal routes is stressed.

Table 20: Individual managers' views of learning habits (IM4)

Learning habits	Functional skills	Core skills	Personal qualities
Traditional	4.03	3.35	3
Peer group	3.73	4.06	3.75
Technology-based	3.12	3.28	2.88
Action-centred	3.63	4.14	3.41
Benchmarking	4.04	3.89	3.46
'Broadening' techniques	3.19	3.33	3.47

General managers confirm individual managers' views. Traditional learning methods are used to acquire functional skills, while peer groups are used as the source for developing personal qualities.

Table 21: General managers' views of learning habits (GM21)

Learning habits	Functional skills	Core skills	Personal qualities
Traditional	4.54	3.38	2.83
Peer group	3.83	3.69	3.54
Technology-based	2.3	2.91	2.73
Action-centred	3	3.2	3.1
Benchmarking	3.36	3.36	2.91
'Broadening' techniques	2.45	2.45	2.92

The survey also examined learning sources. We found that both general and individual managers tend to source learning from formal business training providers and consultants, followed by reading, peers and colleagues.

Table 22: Learning sources

Learning sources	General managers	Individual managers
Family and friends	2.77	2.93
Reading	3.93	3.7
TV and media	2.33	2.7
Peers and colleagues	3.64	3.8
Consultants	4	4.0
Foreign business partners	3.38	3.5
Formal business training	4.31	4
Other	2.5	4.25

We shall now turn our attention to training providers.

5.4 *Training programme providers*

As far as individual managers are concerned, by far the most important training providers are traditional providers such as universities and business schools (94%), followed by ‘action-centred’ or on-the-job learning (96%). Technology-based training, such as computer programmes, on-line training and the like, was the least popular. The responses of human resource managers confirm these results. It should also be noted that over three-quarters of human resource managers cited their own company as a training provider. This presumably relates to in-house training. This was followed by management development centres and business schools, presumably relating to the provision of external courses.

The fact that individual managers cite universities and business schools as the most frequent providers of training, while human resource managers cite individual trainers, suggests that many managers organise their own management education in addition to the training provided by their companies.

5.5 *Training selection criteria*

The selection criteria for training programmes (extrapolated from Question 7 in the questionnaire addressed to human resource managers) shows the extent to which training is motivated by companies’ strategic requirements rather than tactical and specific skill requirements. It is interesting that departmental requirements (awarded a score of 4) represent the most important selection criteria when developing training programmes, followed by general human resources policy (awarded a score of 3.78) and the company’s strategic needs (awarded a score of 3.75). This confirms that most of the companies surveyed felt that the most pressing training needs were in respect of department-related skills, while personal interest received a score of just 2.11 as a selection criterion.

Table 23: Criteria for selecting training

Criteria used	Frequency
Strategic needs	3.75
General human resources policy	3.78
Departmental needs	4
Personal performance	2.62
Personal interest	2.11
Other	0

The main criteria for selecting a training programme were that it should conform to the concrete human resources policy and the general management strategy.

Table 24: Criteria for selecting training programmes

Criteria used	Frequency
Technical quality	3.38
General awareness of the needs	3.5
Conforms to general human resources policy	2.67
Conforms to general management strategy	3.78
Conforms to concrete human resources management policy	4
Meets individual needs	3.38
Conforms to individual career aspirations	2.8
Provider's reputation	3.62
Other	0

Question 6, directed at human resource managers, revealed how participants are selected. The responses appear to suggest a contradiction between theory and practice. Apart from selection by the general manager, trainees tended to propose themselves for training (3.33), while they were far less likely to be selected by a senior or human resource manager. This indicates that, whereas in theory most firms would like to select training programmes and candidates in accordance with the needs of the firm, ad hoc requirements dominate in practice.

Table 25: Method of trainee selection

Selection method	Frequency
Personal initiative	3.33
Senior manager	2.88
Human resource manager	3
General manager	3.56
Business partner	2
Other	0.5

When it comes to selecting training providers, general managers look for a type of provision which reflects the skill development needs. Short-term provision is the most important criterion (awarded a score of 3.75). Human resource managers responsible for selecting a specific training provider make their choice according to price, reputation and previous experience, with previous experience receiving the highest score followed by price.

Table 26: Criteria used for selecting the training provider

Criteria used	Frequency
Reputation	4
Availability	3.12
Price	4.25
Location	2.43
Personal contact	2.57
Previous experience	4.29
Added value	2.33
Convenience	2.8
Other	0

The fact that little importance was attached to added value or additional features/offers indicates that human resource managers adopt a 'risk reduction' approach in this area. In summary, the companies surveyed selected training providers using very pragmatic criteria, with the aim of producing trainees with specific skill sets.

5.6 Special in-house programmes and approaches

Special in-house programmes followed the overall patterns shown by the research, i.e. a concentration on the functional skills detailed in points 1 to 12. There was also some training provided in foreign languages and computer skills, while in-house training in leadership and personal development was minimal. In contrast to external courses, in-house training programmes were concentrated on middle management.

Table 27: Assessment of the evaluation system's effectiveness

Is the evaluation system effective?	%
Yes	22.22
No	77.78

The human resources department tracked the effectiveness of the programmes in many of the companies responding to the survey. Although many ran an award system, often with the participation of heads of departments, over three-quarters of respondents were unsure of the effectiveness of such evaluation systems.

5.7 Evaluation

Question 2 of the individual managers' questionnaire provided some evaluation of the technical quality as perceived by the training recipients. On the whole, individual managers' evaluations of the training programmes were very positive. The quality of the trainers seems to be of key importance, since this was cited by over three-quarters of respondents. Individual managers also valued the broader knowledge provided by case studies and exercise. Frequent statements included 'good materials for students', 'good quality materials' and 'large amount of materials giving the opportunity to revise at a later date'. Good organisation of the course itself was another key factor, and here there is a direct correlation with the selection criteria cited above. If good organisation is a key issue, it follows that human resource managers will select training providers with a reputation for such organisation. Other positive aspects, such as the training location or the convenience of the training times, were also cited but far less frequently.

Over 40% of respondents felt that the training programmes provided were too short. For example, Company 1 stated that "the range of topics covered was too great for the number of hours", while Company 18 stated that the programme provided "too much information in too short a time". This suggests a mismatch between the types of courses provided and the perceived needs of the trainees. The other major criticism voiced by many managers was that the knowledge imparted was not relevant to either their own needs or those of the company. The view expressed by a manager from Company 4, to the effect that it was "difficult to apply the knowledge to a real situation", was typical.

The responses to Question 15, directed at general managers, show that less than a quarter of the companies surveyed have a system for evaluating training programmes' cost effectiveness, added value and results. There is thus very little objective measurement of training results.

Table 28: General managers' responses on the measurement of cost effectiveness

Do you measure cost effectiveness?	%
Yes	23.08
No	38.46

Half of the general managers who do not have such a system at present stated that they intend developing and introducing a measuring mechanism in the future.

Individual managers rated the value added to their own range of skills and competencies as an additional training outcome. This primarily related to the field of greater knowledge (awarded a score of 4.57). Interestingly, many also cited departmental and/or company improvement as an additional outcome. The greatest importance was attached to tangible outcomes such as improved skills (awarded a score of 3.769) and increased profits (awarded a score of 3.6). In contrast, changed values and attitudes were considered to be of marginal significance (awarded a score of 2.96). This echoes the disparity in the importance attached to so-called 'hard' and 'soft' skills which runs throughout the survey.

These finding were further confirmed by the responses provided by human resource managers, which showed that informal systems and criteria rather than structured and objective tests tend to be used for evaluating young talented executives (75% of all respondents).

In general, the human resource managers surveyed concentrated on administration and staffing (personnel management) rather than on staff development (see table containing the responses to Question 11).

Table 29: Human resources functions

Human resources functions	Actual functions	Customers' perception
Staffing	3.89	3.71
Development	3	3.33
Appraisal	3.12	2.83
Rewards	2.88	2.83
Organisation governance	3	2.5
Communication	3.25	3.33
Other	0	0

Human resource managers also feel that they should play a significant communication role, while employees feel that human resource managers should concentrate on staffing as well as on development and communication. Human resource managers should also be actively involved in the appraisal and reward systems.

5.8 *Summary*

In conclusion, it is clear that the training experiences reflect a mechanistic approach to training within the companies surveyed. The training provided meets the company's requirements, defined as the need for technically-centred skills in areas such as finance or sales. Accordingly, human resource managers tend to select courses and training providers who will meet these needs with a minimum of risk. Therefore, issues like added value are not important. Human resource managers do not view staff development as a top priority, whilst general managers are reasonably satisfied with the existing systems. Individual managers themselves are generally satisfied with the delivery and organisation of short technically-centred courses, but find that these do not meet their personal development needs.

6. Assessment of training needs

6.1 *Internal perception of training needs*

The data provided in the three sub-surveys indicate that general managers see training needs in terms of specific skill sets. These are interpreted by human resource managers, who translate them into the organisation of courses intended to meet these needs. Although general and human resource managers are fairly satisfied with the outcome, individual managers appear to be less satisfied, feeling that the training programmes do not meet their own personal development needs. An examination of the survey responses provides further information on training needs.

First, the fact that human resource managers viewed general managers as the primary selectors of training programme suggests that general managers are the main decision-makers. The general managers' responses to Question 10 regarding 'problems/opportunity areas' are especially revealing and highlight the importance attached to functional areas 1 to 12 and, in particular, to marketing, sales, production engineering and quality management skills. These accounted for 63% of responses in this area. General managers' responses to question 11 (specific training programmes to deal with main problems/opportunities) are in accordance with these perceptions, since the specific training programmes identified as being potentially most useful in solving the problems also mainly relate to functional areas 1 to 12 (84%).

Interestingly, individual managers' perception of training needs was almost the opposite. They attached far greater significance to training aspects relating to 'values and attitudes' or 'personal qualities' (16 to 23) and 'management skills' (16 to 23), rather than focusing on the purely functional skills suggested by general managers. The two groups are compared in Table 30 below.

Table 30: Percentage of general and individual managers attaching importance to training in the different skill areas

Management level	Functional skills	Managerial skills	Leadership/values/attitudes	General skills
General Managers	76	–	16	8
Individual Managers	5.4	42	9.6	44

NB – All the individual managers surveyed were drawn from functional areas, mainly accounting, marketing, and quality control.

The human resource managers surveyed tended to have the same views as general managers. They felt that functional skills presented most problems and opportunities (see human resource managers' responses to Questions 19 and 20), with marketing and sales accounting for around three-quarters of the responses. However, human resource managers did not see a need to address any of the staff development or management skill needs identified by the individual managers.

6.2 *Picture of training needs resulting from the survey*

Forty per cent of general managers felt that the scale and pace of change was the main strategic challenge confronting them, while a further 25% were experiencing major structural changes. Yet the existing training pattern does not seem to reflect the training needs suggested by these findings.

In view of the aims and problems identified by the general managers, skills such as conflict management, negotiation and restructuring would appear to be useful. Indeed, such skills would even be of use to those at a lower management level. There is thus a clear mismatch between the stated issues and the perceived training needs, and this seems to be confirmed by some of the statements made by individual managers. Of course, the focus on functional skills is understandable in respect of the 26% of companies who view their situation as stable; this is confirmed by the stated aims and objectives of the human resource managers.

Training in the 'soft skills' (areas 16 to 23) would seem to be especially useful for those state-owned companies undergoing privatisation (Companies 3, 6 and 14), since such training would help all management levels adapt to the changes. Indeed, this assessment seems to be reflected in the responses of individual managers.

General and human resource managers feel that current training programmes meet company needs, although there are some aspirations that are still outstanding. For example, Companies 4 and 14 wish to obtain ISO certification, and functional skills are the key to achieving these objectives. Of course, companies whose objectives are very marketing-centred, such as Companies 2, 6, 9, 12, and 13, need marketing and sales skills in order to achieve these aims, and in this respect the training proposed and provided is highly relevant to their objectives. The match between training and outputs is obviously not as clear in less specific areas.

The gap between the development needs perceived by general and human resource managers on the one hand, and individual managers on the other, is especially significant. The responses to Questions 3 and 8 show that some issues are not being addressed by current training

programmes. This is the case, for example, in Companies 3, 13 and 15 (which actually found it difficult to identify their strategies).

In addition, individual managers' learning habits and preferences seem to indicate a need for more long-term training programmes. The fact that the majority of managers rated universities and business schools highly as learning sources, whilst the majority of human resource managers actually received their training from individual organisations, suggests another gap between aspirations and reality. Firms are providing short training courses, while managers want more long-term education.

The main findings from this section are summarised below.

- Senior management is satisfied with leadership and personal development issues, and this is reflected in company policy whereby human resource managers organise functional skill courses, especially for the lower management levels.
- Strategic goals seem to indicate a need for a broader based skills range.
- Individual managers have also indicated a desire to participate in broader based programmes (both in their responses to specific questions, and in their actual learning habits).
- Existing training programmes are meeting short-term departmental needs, rather than longer-term strategic aims.

7. Training strategies and activities currently planned

7.1 *Planned activities indicated by human resource managers*

The most significant fact is that 62.5% of companies surveyed did not have any firm training plan for the next five years. The reasons given for this vary and are summarised below:

- unstable situation (mentioned once);
- courses planned in one-year cycles (mentioned once)
- human resources/personnel policy being developed (mentioned twice); and
- personnel already trained (mentioned once)

Other respondents did not offer any explanation for their lack of training programmes. However, these responses support the fact that training in the companies surveyed is seen as a tactical rather than a strategic response.

The training programmes envisaged by the 37.5% who responded positively covered only functional areas.

Table 31: Training areas mentioned by human resource managers

Area	%
Management	25
Marketing	25
Sales	25
Finances	25

(Source: Human resource managers' questionnaire – Question 23)

7.2 *Planned activities extrapolated from overall responses to survey*

The typical activities extrapolated from the responses are shown in Table 32.

Table 32: Typical planned activities

Contents of training programmes	Functional skills General skills (languages/computing)
Training types	Short courses (external and internal)
Target groups	Lower and middle management
Training providers	Small consulting firms/management centres
Specific innovative approaches	—
Total planned investment	Average 10,000 zloty (PLN)

The fact that there was no response to specific questions on future training suggests either that the respondents were suffering from ‘interview fatigue’, or that they did not in fact have any such plans. After all, the types of training programmes summarised above require little long-term thinking.

8. Recommendations for learning partners

This survey showed a clear gap between the perceptions of the different management groups surveyed and the stated strategic aims of their companies. This report does not contend that the functional skills taught up to now are either unnecessary or irrelevant to companies' needs. It should be emphasised that many of the skills that have been discussed are necessary for the full development of a market economy, and that such skills did not exist under the previous system. It is, therefore, not surprising to find that the key areas in which training is currently taking place, and in which it has taken place over the past five years are:

- marketing;
- sales;
- accounting;
- finance;
- Total Quality Management; and
- project management.

These skills were fundamental to the basic functioning of companies, and it is natural that they formed the primary requirement. However, training in Poland must now move beyond such functional skills.

The report's recommendations relate, first, to the need to match company goals to training, and secondly to the need for a greater focus on the whole issue of staff development. Although many senior managers and human resource managers attach little importance to this issue, leadership and attitudinal issues will gain in importance as the market stabilises. The recommendations are listed below.

1. Recommendations for companies in the Region - training service users, general managers and human resource managers

a) *Added value*

Services are currently selected on the basis of pragmatic criteria such as price and the provider's experience and reputation. Although these criteria should be retained, companies should also pay attention to the added value given by providers. Such

added value might include staff development packages, or purely practical elements such as additional training materials, and may also include the opportunity to learn about practices in other organisations

b) Selection

Many training candidates are either self-selected or selected by the head of the company. We recommend that human resource managers should become more involved in selecting candidates, using objective appraisal procedures to ensure that the right skill levels are maintained within the firm.

c) Strategic planning

Training is currently organised in response to short-term needs or the need to produce certain skills sets. It is important for companies (especially those now undergoing privatisation) to address issues like succession planning, and therefore to pay more attention to training programmes relating to areas such as creativity, entrepreneurship and leadership.

d) Co-operation with a wider range of training providers

Since many individual managers have already taken responsibility for their own career development by attending courses provided by universities and business schools, it would be useful for human resources and general managers to consider the packages offered by these institutions. Such packages could be integrated into the overall structure of the company's personnel training policy, for example in the form of in-house or tailored Executive MBA programmes.

e) Use of wider range of delivery methods.

Since price is a central factor when selecting a training provider, human resource managers would be well advised to consider other delivery methods, in particular IT-based training provision such as Lotus Notes, on-line training or computer programme packages. These would be cheaper and are a flexible training tool. Distance learning is another under-utilised training resource, and offers the same benefits of cost-effectiveness and flexibility.

f) User feedback

There is currently a gap between human resource managers' perceptions and those of individual managers. This needs to be addressed by establishing feedback mechanisms within companies.

2. Recommendations for individual managers

a) *Communication*

Given the gap between the perceptions of human resources and general managers on the one hand, and the individual managers receiving the training on the other, one of this report's key recommendations is that a feedback mechanism be established.

However, individual managers should not only rely on this top-down method, but should also seize the initiative and communicate their wish for the provision of for more long-term, staff development centred courses and training.

b) *Planning ahead*

In the next five years, many of those respondents who are currently individual managers will take up more senior posts. It is important that they initiate the process of change and begin to think in a more strategic and long-term manner.

3. Recommendations to CEEMAN members as potential service providers

a) *Clear identification of needs*

There is a currently a gap between companies' perceived and actual needs. This is a result of the speed of the transition process. It is important for professionals and academics to draw the attention of key decision-makers in the various organisations to the need to address issues like staff development, as well as the need to develop 'soft' skills like conflict management and negotiation. It should be remembered that basic functional skills are more easily identified as needs, while strategic development requires long-term nurturing.

b) *Co-operation with companies*

Since general and human resource managers have shown a marked preference for short courses and in-house training, while individual managers are looking for a more long-term developmental approach to training, this report strongly recommends the development of in-house Executive MBA and Management Diploma Programmes tailored to individual companies' needs.

c) *Development of different delivery methods*

Although there is a marked preference for traditional delivery methods, training and management development providers in the region should now begin to consider distance learning and IT as viable delivery methods, especially given the target groups' relatively high levels of ownership and/or access to IT equipment.

4. Recommendations to western training institutions as potential service providers

a) *Transfer of technology and know-how*

Considerable success has been achieved in the field of knowledge transfer with regard to functional skills like marketing, sales and accounting. To date, less work has been done on 'soft' areas like management or personnel development, and the translation of this into specific training programmes. Obviously, those western institutions currently offering in-house MBAs and management diplomas would be well placed to create strategic alliances, especially if they, or some of their clients, have invested in Polish companies. There is also a significant need and scope for the transfer of technology and know-how in the field of distance learning and of IT programmes for training delivery.

b) *Provision of diagnostic tools*

The survey has already highlighted some perceptual gaps regarding training needs and outcomes. It is clear that the pragmatic day-to-day requirements of running a company preclude many senior executives from taking a longer-term view. In addition, many companies have no tradition of management development. Therefore, it is important for western training institutions to offer their Polish partners, not only training packages in functional skill areas, but also the opportunity to acquire the diagnostic tools that will allow them to help develop their companies.

c) *Provision of case study materials*

Many managers cite case studies as an important source of learning, and cases can also be a valuable learning tool. We recommend that case studies of companies that have been through a similar transition process (e.g., recently privatised firms) be developed to make training courses more practical and to bring them into line with users' requirements.

5. Recommendations to donor institutions

a) *Longer term strategy*

The Polish economy has reached a sufficient state of development, and the privatisation process is sufficiently far advanced, for companies in the region to begin looking beyond the rapid acquisition of the basic functional skills needed to maintain their activities. Many successful programmes in the region have focused on 'training the trainers'. Given the positive response from many managers to questions regarding training quality, these appear to have been successful. The focus must now be shifted to management development, and the delivery of more complex training products, in order to develop the next generation of senior managers.

We therefore recommend that donor institutions support, in particular, those projects aiming to develop the following:

- innovative delivery methods;
- training programmes which integrate the long term needs of companies and individuals with the pragmatic requirements of the human resource and general managers selecting the training;
- strategic alliances between Polish institutions providing training and development programmes and those western training institutions which already have experience of such programmes; and
- packages providing the opportunity to learn from case studies of companies which have undergone similar transition processes, for example training packages linked to privatised companies in Western countries.

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