REPORT

Assessing management training needs in Central and Eastern Europe

Cross-country survey

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.

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Foreword

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 Foundation[2], which also contributed its expertise to different stages of the project.

To date the project covers selected enterprises in nine countries, in research phase 1 carried out during 1998: Bulgaria, Poland, Romania, the Russian Federation, and Slovenia; in research phase 2 carried out during 2000: Latvia, Lithuania, Hungary and Ukraine. It concentrates on the issue of management training needs in manufacturing and service sector enterprises, with the aim of understanding 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 report presents results of the 'cross-country analysis' based on the five country reports from phase 1 of the research, which surveyed a total of 74 enterprises and 564 managers during 1998. As it was not possible to provide a cross-country analysis of all nine countries in this report, it was considered useful to add a "postscript" at the end of the report. This chapter "Lessons from Nine Central and Eastern European Countries" covers key findings, issues, conclusions and recommendations for both research phases 1 and 2, thus 158 companies and 852 managers.

The questionnaires used for this survey are included in annex to the cross-country report . Further copies of this report and the country reports 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 137 members (including business schools and enterprises) from 41 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.

Assessment of management training needs at the Achieved Level of Transition

Lessons from Nine Central and Eastern European Countries

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1.   *Introduction*

This material 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, sponsored by the European Training Foundation and implemented together with the Central and East European Management Development Association (CEEMAN), consisted of two stages. The first stage covered five countries: Bulgaria, Poland, Romania, Russia, and Slovenia and the results were presented and discussed at the First Joint International CEEMAN/RABE Conference on "Assessing Management Training Needs in Central and Eastern European Countries at the Achieved Level of Transition," held in Moscow on 4-5 June 1999. On the basis of the comments, remarks, and suggestions made, it was decided to expand the project to cover another four countries: Hungary, Latvia, Lithuania, and Ukraine. For the second stage, the project methodology was reviewed and improved in an expert group meeting held at the European Training Foundation in November 1999. The improvements were made by modifying the research questionnaires and the respective guidelines for report writing.

The survey was carried out in 158 companies (77 from the manufacturing sector and 81 from the service sector) and involved a total of 852 managers from three different target groups: general managers, human resource managers, and individual managers, occupying different managerial posts and performing different tasks. The research methodology was primarily quantitative in nature, relying on a set of three different, though inter-related questionnaires for the three target groups. In addition, the research teams carried out a series of interviews and discussions with enterprise management. Both the survey sample as well as the research results and findings were judged relevant for the issues addressed by this research effort.

The main philosophy of the project was to assess management training needs in the context of business challenges faced by the surveyed enterprises. This approach required an evaluation of strategic responses being developed by enterprise management to cope with those challenges. It also required an assessment of current management capabilities and the roles

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played at various managerial levels. In assessing management training needs and conceiving the appropriate training inputs, attention was also paid to the experience gained, the evaluations made and the lessons learned through previous individual and company training programmes. Learning habits and preferences were also analysed and taken into consideration.

This report presents the results of the *cross-country review* made on the basis of all nine country reports. It is intended for various partners involved or interested in management development and training in the region, including enterprise management, training providers, policy makers, research community, and donor institutions.

The report is structured in such a way as to follow the structure of country reports. In other words, it reflects the structure of the context chain that was the backbone of the whole project (Business Challenges - Strategic Responses - Managerial Capabilities - Training Needs -Provision of Training - Evaluation). Each link of the context chain is presented here to illustrate research findings, followed by the main conclusions and/or issues. Finally, recommendations for consideration by respective learning partners are presented.

2. *The Challenge Myopia*

Enterprises' perception of the magnitude and nature of the challenges were assessed by asking general managers to position their enterprises in one of the four categories: "stable situation", "improvements are required", "confronting change", and "radical transformation". These categories related to the dynamics of the business environment and the respective position of companies.

2.1 *Findings*

Enterprises are increasingly, yet still not sufficiently, aware of the challenges arising from a radically more demanding and competitive environment. This *"Challenge Myopia"* was observed in all five countries covered by the first stage of the project, and then additionally confirmed in the four countries included in the second stage. However, the intensity and underlying causes of this phenomenon differ from one country to another and from one sector to another. In the countries with a higher level of transition achieved, the awareness and perception of the challenges faced was higher. At the enterprise level, those companies more exposed to international competition tended to be more aware of the magnitude and nature of challenges faced by their business. Consequently, the lowest level of awareness was observed in companies that had either not yet been transformed internally or still enjoyed certain privileges and benefits from their quasi-monopolistic or protected position in the past.

2.2   Conclusions / Issues

Generally, enterprises tend to underestimate the magnitude and nature of challenges they face. Several factors contribute to this and can be grouped into two categories. Firstly, there is a sort of self-satisfaction resulting from the tremendous changes already made at both country and enterprise levels (system change, regulatory changes, ownership restructuring, new managerial systems, etc). To paraphrase a statement from the Hungarian country report: general managers tend to think that the "stormy days are over", while ignoring the new types of storm that are already on the doorstep.

This leads to the other group of causes, which is related to the lack of understanding of the driving forces that shape the modern global economy and the impact of these mega-trends on the countries and sectors in which enterprises operate. This factor was also confirmed by the general managers of the enterprises surveyed who, in their assessment of weak points in their management teams, particularly at board and top management level, repeatedly mentioned the lack of general competencies, the understanding of the complexity of the environment and/or their business specificities, strategic thinking, experience and real business exposure, practical experience, ability to set priorities, self-confidence, etc.

In practically all countries, the research teams observed a degree of reluctance and aversion to the very concept of radical change and the uncertainties involved. This passive and sometimes even negative attitude to change may be considered as culturally embedded, probably caused by the previous static environment. This factor may persist and limit the development of the managerial capabilities needed to conceive, develop, and implement appropriate strategic responses.

2.3   Recommendations

➡ *Even if "Challenge Myopia" may be an inevitable and unavoidable symptom of the first stages of the transition process, it can at least be reduced, if not cured, by appropriate training programmes.*

There is a need for educational and training inputs which will enable enterprise management, particularly at board and top management levels, to better understand the changes taking place in the modern world and the challenges that result from them. In this respect, programmes to deal with globalisation issues, technological progress, economic restructuring and sectoral changes, institutional changes, global financial markets, sociological and psychological changes, and other changes related to the human factor in general, are considered essential.

➡ *Training objectives should not be restricted to the transfer of knowledge and skill building. They should also contribute to a broadening of thinking and the development of new values and attitudes.*

These inputs should address the whole spectrum of managerial capabilities, including leadership skills, general skills, professional/functional skills, as well as managerial skills. The emphasis should be on strengthening the ability to observe and detect environmental changes, including those that radiate only weak signals, understand their meaning and possible impact, develop an appropriate vision and communicate it throughout their respective companies. These educational and training inputs are crucial for attitudes and values to change. Particularly important are those that enable managers and leaders to recognise opportunities for business and organisational development and not only threats when exposed to the turbulent environmental changes and their impact.

3. *Even hard strategies need soft skills*

Strategic responses developed by enterprise management were explored by examining whether or not enterprises develop comprehensive strategies to cope with their business challenges; the time framework of the strategies, the changing focuses of strategic thinking over time; the existence of adequate major programmes and projects to support those strategies, and the human factor.

3.1   Findings

In most cases, general managers believe that their companies have comprehensive strategies to cope with the challenges. The timetable of their strategies seems to be quite reasonable, regardless of whether it was reduced from the traditional and too long-term approach, which would ignore the pace of change, or was expanded from the traditional annual planning approach to business development. In the last five years, the strategic focus was predominantly on "hard" elements, such as business strategy, organisational structure, systems and procedures.

A noticeable shift towards "soft" strategic elements, such as skills, staff, style, and shared values (internal culture) is being claimed for the future, particularly in enterprises which are now facing the challenge of how to increase the "value added". However, major projects to support such strategic objectives, provided they exist, seem to maintain the strategic focus on the issues that dominated in the past, while the prevailing approaches to the human resources and management development issues do not seem to support such a claim either. As a rule, human resources and management development audits are not performed at all, while human resources and management development programmes are seldom an integral part of overall strategies. Investments in people are still generally low, mainly sporadic and, above all, not linked to business strategies and/or environmental challenges.

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3.2   Conclusions / Remaining Issues

Strategic approaches to business and management development have been gaining in importance and acceptance by enterprise management. However, if the challenges are not correctly perceived, the respective strategies will inevitably be deficient in one way or another. In addition, in many cases the concepts of strategies are misinterpreted and interchangeably mixed with tactics, tools and instruments. As explained in the Ukrainian country report "the development of business strategy brings some confusion and implies insufficient understanding of the goals and tasks of strategic planning".

The observed shifts in strategic thinking from "hard" to "soft" elements have followed the dominant pattern of the transition processes at both national and enterprise levels. In the early stages, the emphasis was on the introduction of new systems, structures and business development strategies. These "hard" elements were overemphasised, while there was no full recognition of the strategic importance of the "soft" elements such as skills, staff development, managerial style, internal culture and shared values within companies. In this respect, the remaining key 'human' issue continues to be the 'Cinderella' of enterprise management.

3.3   Recommendations

➡ *Companies need to develop an internal "strategic mentality" to effectively and efficiently cope with environmental challenges*

Strategic ways of thinking should be spread throughout a company and this requirement is indirectly felt within many of the companies surveyed. All three target groups of managers (general managers, human resource managers and individual managers operating at various levels and positions) assigned high priority to knowledge and skills related to strategic management and change management. From the "strategic mentality" point of view, even more important are values and attitudes, particularly those related to creativity, entrepreneurial spirit and ability to innovate.

➡ *Strategies cannot be crafted in a vacuum, regardless of the business challenges and the real in-company context. On the other hand, successful strategies require capabilities for both their crafting and their implementation. These two can be combined and synergized.*

In this context, all partners should learn from the positive lessons drawn from various training-supported change management projects, or highly customised in-company training programmes with a strong action and change management orientation. Such programmes not only improve managerial and leadership capabilities, but also focus on concrete problems resulting from both environmental challenges and business and managerial practices. Even more importantly, they contribute to the creation of the critical mass necessary for the implementation of strategic change. In this way they directly integrate human resources and management development into the company's overall strategy.

➡ *Strategies based on human resources require a different positioning of the human resource function, as a major strategic arm of top management.*

Current shifts in strategic thinking require appropriate education and training inputs related to the "soft" elements of strategic thinking. Programmes that will help companies to better integrate the human factor into overall business strategies are essential. Human resource management was one of the training topics with the highest priorities in practically all the countries involved in the survey. In this context, although a precondition, these training programmes are not sufficient. They cannot be effective without an initial redefinition of the position of the human resource function within enterprise management. Consequently, there is also a need to assign a new mandate for this strategically important business function. Currently, this function focuses mainly on staffing and other administrative activities. Human resource and management development activities tend to be neglected.

4. *Managerial capabilities – Victims of the current and enablers of the new managerial roles*

Managerial capabilities and current and expected managerial roles at various levels of management were assessed through the views of general managers and individual managers occupying various posts and performing different tasks. Managerial capabilities included three components: knowledge and understanding; skills and competencies; and attitudes and values. Managerial roles included professional, managerial and leadership roles. The survey also explored the mechanisms by which critical managerial capabilities were ensured.

4.1 *Findings*

General managers believe that the greatest *capabilities* are concentrated at the highest levels of management. Managerial skills are generally evaluated better than the functional ones, or those that constitute the leadership potential and capabilities. Considerable managerial and leadership potential is recognised within the non-managerial groups, such as young talent and professionals. Middle and lower level management are generally considered as disposing of fewer capabilities.

There are remarkable differences in how general managers see the *role structure* at top management level, which ranges from predominantly professional, via managerial, to leadership. These differences reflect those in the overall level of development. General managers tend to insist on professional roles for their managerial staff, while reserving the managerial and particularly the leadership role mainly for themselves and for board

members. In contrast, individual managers consider their managerial and leadership roles as increasingly important.

As for the mechanisms for ensuring critical managerial talents, there are a number of differences among the surveyed countries. In most of them, however, the main mechanism is to identify and develop talents and capabilities from inside the company.

4.2   Conclusions / Issues

In many cases the hierarchy still remains untouchable and managers are primarily assessed according to their experience, rather than against the criteria of creativity, innovative behaviour, social and cultural competence, etc. The relatively high evaluation of the capabilities as compared to the grades given to various elements of enterprises' strategies implies that those capabilities are not fully materialised. In most cases they are under-utilised, mainly employed for operational tasks, and not always properly deployed at specific managerial posts/levels. This seems to be particularly true in the case of professionals and non-managerial staff, whose talents seem to be focused primarily on professional, rather than managerial and/or leadership roles.

A general expectation of a simultaneous increase of all three roles (professional, managerial, and leadership) played at all levels of management (boards, top management, middle and lower management, professionals and talented young people) is interpreted as a common awareness of the need for management to become more effective and efficient. However, perceptions of the current and future roles at various levels of management differ among the three surveyed groups. The different perceptions and expectations between general managers and individual managers, as explained in the Latvian country report "might cause some friction within the work place and disappointment on both sides". There is certainly a different perception regarding the respective training needs.

The predominant reliance on internal managerial capabilities does not result from any special approach and/or policy. It has to do with the lack of experience of other mechanisms, including the use of specialised "head-hunting" firms. In fact, the market of managers, as in the West, has not yet become institutionalised in the countries in transition. This does not mean that market forces are not acting; on the contrary. One of the threats regarding human resources in general, as mentioned in the Latvian report, is in the fact that "the best people are head-hunted, since the demand the highly-skilled is not satisfied with the current supply".

4.3 Recommendations

➡ *Management is a new profession in Central and Eastern Europe and therefore needs to be properly understood, positioned and accepted.*

There is still a need to improve the overall understanding of the role of management and leadership in general, particularly in the context of the changing environment and ever increasing challenges. There is also a need to persistently improve the understanding of various components of the overall *management capabilities* (knowledge, skills and competencies, and values and attitudes) and to relate them to different *roles* played at various managerial levels (professional, managerial, leadership). Finally, there is also a need to better understand those roles. Top managers, being primarily focused on managing the business of their firms, while expecting other levels to manage the work, neglect the third integral component of managerial tasks and roles – the one of managing managers. This component requires a specific set of qualities and skills, particularly those of a leadership nature, and has to do with values and attitudes.

➡ *In designing and implementing training and educational programmes aimed at strengthening managerial capabilities, special emphasis should be given to those elements identified as weak points.*

Among the weaknesses related to managerial capabilities those that refer to the lack of professional, functional or disciplinary knowledge were not often identified. On the contrary, these elements were evaluated very highly. Most of the weaknesses refer to managerial, leadership and general competencies and skills. Among the managerial competencies and skills, the following seem to be critical: general management skills, problem solving, inability to assess the business situation and set priorities, organisational discipline, competence problems in matrix organisations, lack of initiative, dependence on higher hierarchical levels, the lack of managerial self-confidence, etc. In the area of leadership the weak points included important competencies and skills as well as attitudes and values such as: lack of abstract thinking, inability to think strategically and in an entrepreneurial way, poor interpersonal and communication skills, too strong a reliance on informal relationships, unwillingness to learn about the others, poor leadership qualities and lack of self-confidence (although in some cases there is also a problem of too high self-respect and overestimation), inability to predict and resolve conflicts, low motivation, etc. In most cases the weak points related to general skills refer to the lack of general competencies, insufficient knowledge of foreign languages and computer skills. This group may also include problems related to personal characteristics such as lack of motivation, unwillingness to accept responsibility, insufficient dedication, etc. Managerial overload, family and private life problems that were also mentioned imply that time management skills are also missing.

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➡ *Management training efforts should improve managerial capabilities in such a way as to enable a more balanced and more appropriate distribution of managerial roles. Actual roles seem to be victims of insufficient and/or inappropriate capabilities.*

The above-mentioned weak points do not apply to all managerial levels, nor do the capabilities required for performing different managerial tasks at the various managerial levels. Therefore, in making training efforts more effective and efficient, there is a need to respect different managerial roles and address specific needs at these levels. In this respect, the programmes aimed at strengthening managerial and leadership competencies and skills at middle and lower levels of management seem to be urgently needed. Board members also need specialised training inputs (e.g. corporate governance, strategic management, management of change, etc).

➡ *There are both needs and opportunities to build on young talents and a new generation of managers*

Young managerial talents were identified as an important asset. As indicated in the Ukrainian country report "the programmes intended for this group will have a long term impact". Indeed, there is a common awareness of the huge potential embedded in high professionalism, education and knowledge, energy, enthusiasm, willingness and readiness to assume responsibilities and creativity, and to be innovative. This potential is the best basis to build on and develop a new generation of managers. Young managerial talents are not only important for the future; they are needed right now since, as indicated in the Hungarian country report, management teams are showing a tendency towards ageing.

➡ *Recruitment of critical managerial capabilities and talents, as well as management succession are important strategic issues and both should be facilitated by appropriate training efforts.*

In business, both internal and external approaches to the recruitment of critical managerial capabilities have an influence. The actual balance varies depending on real needs and the inherent advantages and disadvantages of each of the two respective mechanisms. It seems, however, that these two mechanisms are not always preceded and/or supported by appropriate human resources and management development audits and training inputs. Only about one third of internally recruited staff receive some training prior to their promotion. The same problem is felt with externally hired staff, who seem to suffer from a lack of concrete business experience. Once again, the actual roles of these staff members suffer from a lack of skills that could have been provided by appropriate preparatory training.

5. *Assessment of management training needs: do managers really know what their needs are?*

Management training needs in surveyed enterprises were assessed by collecting and comparing the views of general managers, human resource managers and individual managers. In this respect, general managers and human resource managers identified the main business problem/opportunity areas in which training could provide a valuable contribution.

5.1 *Findings*

General managers and human resource managers showed a relatively high level of consensus regarding the main problem/opportunity areas and associate them mainly to the functional areas of management. Indeed, they frequently mentioned areas such as marketing, sales, human resource management, quality control, research and development, technology and operations, etc. However, a closer look into the specifically mentioned problems/opportunity issues reveals that many of them are predominantly of a managerial and leadership nature (decision making, change management, project management, creativity and entrepreneurship, corporate governance, leadership and organisational behaviour; conflict management, pubic relations, negotiation and communication skills, etc.).

Both groups assigned training priorities to the same areas, though not necessarily in the same order of importance. The level of consensus here is slightly lower. In fact, the priorities of human resource managers tend to be closer to those expressed by individual managers. Individual managers, sometimes in contrast to their own perception of their personal roles, expressed relatively strong preferences for training in the areas related to managerial, leadership and general skills.

As for the process, training needs were reported to be identified primarily in the context of departmental tasks or company strategies. The expected learning output, and relevance for company strategy were mentioned as the most important criteria for the selection of training programmes. However, this should be taken with some reserve. In the selection of trainees, three different patterns were observed: one reflecting a strong hierarchical mentality, another of a more participative nature, and the third which is characterised by a shift from corporate responsibility for management training to individual responsibility.

5.2   Conclusions /Issues

All three groups of managers showed difficulties in articulating training needs either for themselves or for their companies. This led researchers to raise the question: *"Do managers really know what their training needs are"*? The main issue here is the lack of a systematic approach to human resources and management development. Very few companies performed any serious human resources and management development audit, while the activities of human resource departments focus on staffing and other, mainly administrative, functions.

However, this does not imply that the three groups of managers do not feel what their needs are. On the contrary, when mentioning particular problem/opportunity and training priority areas, they all show a degree of *vertical consistency* by associating training priorities to the areas in which problem/opportunity issues and/or weak points in overall managerial capabilities were identified. The extent to which this is done, however, is not sufficient since the direct link between the identified training needs and business strategies, let alone business challenges, is still generally missing.

Horizontal inconsistencies, i.e. different views among the three groups of managers, indicate the problems of internal communication. To some extent these problems arise from an inadequate positioning of the human resource function.

5.3   Recommendations

➡ *Management training needs are contextual and dynamic, and should therefore be dealt with accordingly.*

Management training needs, either individual or at company level, do not exist in a vacuum; they are highly contextual. The context chain established within this project (environmental challenges - business strategy - managerial capabilities and roles - training needs - provision of training services - evaluation), seems to be an appropriate framework. On the other hand, training needs are not static, they evolve with time and the overall dynamics of business development, as well as personal development. Therefore, needs assessment has to be a continuous process.

➡ *Learning partners should leave the "known territory" and take the journey of discovery in order to assess what management training needs really are.*

The difficulties in articulating what management training needs really are led all three groups of managers to stick to "known territories" and persist with standard functional/disciplinary training. This kind of training might have been essential (yet certainly not exclusive) for the early stages of the transition process, but in the meantime needs have evolved significantly. Another consequence is that managers tend to follow

what training providers offer who, in turn, tend to market their current product/service portfolio rather than exploring what their customers' needs really are.

Needs analysis is a process which requires the involvement of different actors.

Due to the contextual nature and dynamic character of management training needs, the process of their identification requires the various learning partners to be involved and to cooperate closely. One of the key links in the cooperation chain should be the human resources function with its new mandate. Apart from enabling contextual training content, the human resource function may also ensure that training methods and delivery processes are more responsive to individual and collective learning habits. The human resource function is also expected to be a "bridge of understanding" between the external facilitators, providers of training services, and other stakeholders. According to the survey results, external facilitators and training providers are very rarely used in the stage of needs assessment. However, as emphasised in the Lithuanian country report: business executives need to be consulted and given advice regarding their needs. Management education institutions should provide these services taking into account the needs expressed, but also using their own professional experience.

6. *From training to management development: from training services to learning partnerships*

The volume of training in the last five years clearly shows that the *dynamics and coverage* of management training is gaining momentum. Training efforts are widely spread covering all managerial levels, including non-managerial groups of professionals and talented young people. Nevertheless, the investment in management training is still low, with considerable differences between the countries surveyed. Functional topics were the *dominant* areas in the past, while more intensive training in the managerial and leadership skills is emerging as the current trend. Computer skills and foreign languages are contributing to the growing share of training in general skills. Seminars and courses represent the prevailing types of *training process*. The preference is given to short programmes, though, in some cases, medium and even long-term programmes are important. An increasing share of MBA programmes in several countries is an encouraging sign. Preferred *types of training* are consistent with the prevailing *learning habits* and dominant sources of learning, which are both rather traditional and formal.

In the *selection of providers*, there are two characteristic patterns. Reputation of the provider seems to be very important in the emerging markets of training services, while in the more mature ones, previous experience with the provider is the main criterion. The value-added factor is just coming onto the scene. The selection of providers tends to reflect the overall

culture, tradition and learning habits. Nevertheless, consulting firms seem to be the most important source of skills. Foreign partners are also an important source of training providers, as well as the firms themselves. Customers and suppliers are only sporadically a source of knowledge and skills. Training services are primarily discussed and contracted on an ad hoc basis.

6.1   Conclusions / Issues

Attention paid to management training and human resource development in the surveyed countries has been growing and has already reached a respectable level. The changes, as well as the differences, in the prevailing volume, practices, and patterns of management training reflect the evolution achieved in the other aspects of the transition process. The main problem in the area of training provision is in fact related to the assessment of training needs. The issue is therefore that training providers, as well as external facilitators in general, should get more involved in the process.

The survey has shown that the training services market is becoming increasingly competitive. That is a challenge that all learning partners have to face. On the other hand, it is also an opportunity for those who are able to respond adequately. The experience with consulting firms, or foreign partners, who combine training or knowledge sharing with problem solving, seems to offer important lessons.

6.2   Recommendations

➡ *From management training towards management development.*

Training services, particularly those coming from external sources of knowledge and expertise, are only one segment of management development. Efforts should be made to shift the emphasis from training towards a more complex approach of management development. Positive experience with various in-company training programmes, particularly action and implementation orientated ones, additionally support this recommendation. As do the deficiencies encountered in the process of recruiting critical managerial talents and capabilities.

➡ *From training services to trusting and effective learning partnerships.*

Co-operation between learning partners is also recommended for all aspects of training – the content aspect, the process aspect (including the changing role of the main actors), as well as institutional/organisational arrangements that may be developed to respond to specific training programmes and/or processes.

Training providers have to develop a service culture that will put customers' needs first. Needs assessment processes should be carried out in co-operation with customers as much as possible. Special attention should be paid to avoid the temptation of directly transplanting Western business and management models and blueprints, which do not necessarily fit into the specific business and cultural environment in the region. These approaches may significantly increase the relatively small radius of trust that many local training providers suffer from. Other instruments include high quality, value-added, innovation, flexibility, understanding and accepting of social responsibility. Various accreditation systems and schemes (national, regional or international) should only be a formal recognition of the trust and credibility already established in the market.

➡ *Growing together by learning from each other.*

Training providers should establish international links and arrangements networking (rather than single connections) in order to draw and benefit from external expertise. This is also the way to develop local skills that are still very scarce. In this respect, the role of research is indispensable.

Research projects should increasingly bring benefit to both the corporate world and to faculty development. This joint and mutual motivation is very important since management and faculty development are among the highest priorities in the region. Paradoxically, it is in the best interests of each of the two that the other develops fast. This is so because for both of them the best source of knowledge, information, and learning is the other.

Other learning partners (e.g. policy makers, donor institutions, foreign partners) that are interested in the development of either faculty or management capabilities, or both, should understand this lesson. They should provide support that will enable these key learning partners to co-operate as much as possible, learn from each other and grow together. By learning and growing together, they will also help each other to preserve their own individuality and identity, which will remain factors for success in the globalising economy, as well as a re-established self-esteem in the region.

7. Evaluation and impact: "You get what you measure"

Although the main emphasis was on the evaluation of training programmes received by individual managers, the issues of evaluation were also dealt with throughout the research project, either directly or indirectly.

7.1   Findings

One of the most important findings of the research is that there are very poor, if any, systems of measurement and evaluation. Companies claim to have a diffusion of newly acquired knowledge, mainly through teamwork. Such a claim should be taken with understandable reserve. On the other hand, individual managers believe that value added and the impact of individually acquired knowledge and skills are going away from personal, via departmental up to the level of the company as a whole.

7.2   Conclusions / Issues

Poor, or even the complete absence of, measurement and evaluation of systems in the area of management training, is a consequence of the generally underestimated importance of the human factor. The managerial slogan that "you get what you measure" indicates that there is a danger of getting a rather poor and limited materialisation of the knowledge received by individual training. In fact, some explicit knowledge may even turn back into tacit knowledge, and therefore remain hidden from those who might benefit from it

7.3   Recommendations

➡ *Establishment of measuring systems and evaluation mechanisms is a precondition for continuously monitoring progress in the area of human resource and management development and their impact on business performance.*

Most companies use various measures and mechanisms to monitor and evaluate the effectiveness and efficiency of their investments in key business functions (e.g. ROI and other indicators). In this context, companies should also develop the means of monitoring the effects and impact of investment in management education and training, and management development. It is recommended that these be designed in such a way as to reflect the indirect nature and long-term character of investment into the human factor.

➡ *The concepts of life-long-learning and learning organisations reinforce each other and should both be supported.*

Even those individuals with the inherent life-long learning approach may have difficulties in realising it through their careers if their companies do not support them. On the other hand, the concept of the learning organisation may encourage individuals to accept a more proactive approach to their personal growth and development.

There are companies that claim to have diffused individually acquired knowledge widely throughout the organisation, even to the extent that it becomes a part of the collective

wisdom. What makes them distinct from the others is that they rely on a number of methods of mutual and shared learning. In addition to teamwork, they also apply methods such as:

- joint projects;

- workshops;

- job rotation;

- internal work guides;

- coaching;

- briefing and debriefing; and

- also personal responsibility for developing others.

8.   *A brief reminder for learning partners*

This section provides a brief reminder for key learning partners. To a great extent these recommendations include suggestions and ideas provided by the three surveyed groups of managers: general managers, human resource managers, and individual managers occupying different managerial posts and performing different managerial/professional tasks. This makes them of particular pragmatic and practical value.

General Managers

- Learn about and understand the environmental changes and the resulting challenges.

- Company strategies should be responsive and coherent with vision and mission.

- Mission and strategies should be communicated throughout the organisation in a transparent way.

- Management as a profession, its role and tasks, as well as components that constitute managerial and leadership capabilities should be understood throughout the company.

- If the human factor is considered as the key and critical resource in a company, this should be manifested in the overall strategies and policies, including investment.

- The human resource function, as a strategic partner, should be involved in strategy formulation process.

- Communication in a company is a two-way avenue. General managers should develop listening skills.

■ Much more attention should be paid to talented young people, their use, further development and promotion. The same applies to management succession planning.

■ Evaluation systems and mechanisms related to education and training efforts should be put in place, and their feedback regularly used.

Human Resource managers

■ The human resources function should change its current, predominantly administrative role.

■ It should be less bureaucratic, and more entrepreneurial and advisory, and provide coaching.

■ Internal communication is essential for the detection of eventual capability gaps, and identification of the respective training needs.

■ Human resource managers should be more actively involved in the selection process in general, including selecting training programmes, trainees, and providers.

■ In all aspects of training, value added for the company should be the highest priority.

■ External facilitators might be of great help in all stages of the training process.

■ Long-term partnership arrangements with training providers offer numerous advantages.

■ In-company-training programmes provide a greater and longer impact

■ Evaluation systems and mechanisms are essential for successful human resources management.

■ Human resource managers should also develop their own capabilities. There is no effective development of human resources and management development without a prior development of the human resources function.

Individual Managers

■ Individual managers are advised to improve their understanding of the mission and strategies of their companies, and to identify what their personal roles in such a context are, or should be. Based on that, they should strategically contemplate and develop plans to receive adequate and appropriate training.

■ Individual managers are strongly advised to act proactively and make sure that their voices are heard and their needs are known.

Training providers

- Clear identification of needs is the first priority.

- Appropriate, timely, flexible, and entrepreneurial responses should follow.

- Co-operation with companies is the best way to learn about their real needs, and to develop an appropriate, customised and high quality product/service portfolio, method of delivery, as well as a training faculty.

- Customers increasingly insist on the adequacy, relevance, and applicability of training both at individual and company levels and within the country context.

- Efforts are needed to make the offer of training services better known in a market that is becoming increasingly competitive and selective.

Western providers

- The cultural dimension of training is important. Traditional methods and learning habits are still very strong and should be respected. In some cases, the approach based on co-training with a local partner is highly recommended.

- The case method has been well accepted in the region, even though locally relevant cases are still scarce. Research may not only bridge this gap, but will also enable foreign faculties to better comprehend the business context and managerial issues.

- Training of trainers is a powerful instrument to develop faculties, as well as local and international educational networks and learning partnerships in the region.

Donor institutions

- Donor institutions should monitor the changes taking place in the region and adapt their strategies, policies, and criteria accordingly.

- Priority should be given to the programmes with the highest possible impact, such as:

  - training the trainers,

  - managing training institutions,

  - establishing professional communities in the field of management training and development,

  - networking of training institutions,

- establishing training partnerships and strategic alliances,
- producing regionally specific and relevant cases and other teaching materials.

■ Particular support should be given to the programmes that

- contribute to the creation of new generations of managers in the region,
- strengthen the human resources function,
- integrate individual training needs into company strategies,
- provide innovations in the content and/or process aspects of training.

■ Evaluation systems and mechanisms are needed to follow the implementation of the programmes and their impact.