



## Increasing the value of management and team development programmes - how technology can make a difference

Across industries, within organisations of all sizes and structures, the pressure to deliver is on. There was a time when a high quality product meant that someone had painstakingly spent endless amounts of time creating perfection. High quality is still demanded, but now it must be created fast, at the best price and 'right-first-time'. Delivery at this level means that people need to constantly be performing at peak. While its asking the impossible to have everyone on top form all the time, it certainly is true that those organisations that get closest to this goal are likely to be the most successful.

### Management training – the rationale

There is increased realisation that management training is not only critical to the future of the organisation, but also difficult to implement and measure. In comparison with providing specific skills training like production or finance, the field of management and team development is particularly complex because of its less tangible nature. But the drive to maintain a competitive edge means performance management has become key. For most companies this critical success factor rests in the hands of their managers – and yet until recently the performance of the managers themselves has often not been sufficiently considered.

The Peter Principle states, with sound logic, that in hierarchical structures people are promoted up to their level of incompetence. This is not surprising in an environment where promotions to management level are frequently based on technical skills. And there are very good reasons to promote on that basis – after all knowledge of “the business of the business” is paramount to the production of a top quality service or product in any industry. Where organisations fall down and The Peter Principle becomes a real liability is that by the time it applies, the individual has gone one step beyond their level of competence. If nothing is done to counter this, the result is a less effective system or department. It's difficult to take the individual one step back to the level where their superior technical skill still has the most value and their lesser management skills don't detract from their overall effectiveness. The solution has to lie in management training.

Further, if we take the view that every organisation is evolutionary in nature – even those that are man-made – then a second principle can be applied to this situation. The Red Queen Principle states that continuing development is needed for an organisation to maintain its fitness relative to the systems with which it is co-evolving. Posed by evolutionary biologist L. van Valen, this principle originates with the statement by Lewis Carroll's Red Queen when she says that "in this place it takes all the running you can do, to keep in the same place." In terms of the need for companies to maintain a competitive edge in their market, this makes it clear that creating a culture of continuous improvement from a senior level down is not only advisable – it's essential to the ongoing health of the organisation. On this basis, it follows that management training is not a one-shot event, but an intrinsic part of the company's improvement programme.

### The role of the training department

What constitutes effective management training these days? It used to be acceptable to pile as many middle and senior level managers into a half-day seminar and have someone tell



them how to delegate effectively. Thankfully, this is no longer the case. Consistent with the trend to improve performance, training departments are expected to produce business-focused programmes that deliver the maximum return on investment for the organisation. This is an important element in the overall improvement of an organisation's performance, but top-level management must recognise that it's not the total solution. Cultural issues such as accountability, recognition, results orientation and communication style, amongst others, should be consistently applied. If the application of management training is too generalised, a high proportion of the investment made in the training will be wasted, as it will have minimal value for the trainees. Equally, if the organisation has an inconsistent approach to aspects of culture and process from top management down, individual and team performance will be hindered, with a predictably negative impact on results. The key therefore to maximising the value delivered by management and team development is the ability to create a programme that provides both organisation-wide consistency, and the focused ability for teams and individuals to pinpoint the areas where they have a specific development need.

Achieving this goal for anything but a very small organisation can be both prohibitively expensive and very difficult to achieve with any degree of accuracy. However, use of intranets and the Internet now allow for the fast, accurate collection of very specific data. Training departments in national and global organisations are beginning to take advantage of technology to create company-wide systems that address the dual needs for consistency and focus in development programmes.

## Leveraging technology to create a complete solution

There is a danger when applying technology of the expectation that it will automatically provide the cure-all one-size-fits-all solution. Business anecdotes abound on the subject of companies installing major multi-million dollar solutions for call centres, customer service or even enterprise wide, that end up costing them immeasurably more than the anticipated benefit. The simple reason for this is inevitably lack of proper planning. In some instances the implementation plan has been done, but it stops too early with no follow through on the use of the system. Using technology to enhance management and team development is no different. Complete and thorough planning is the key.

Use of an intranet or web-based solution as opposed to a paper-based system has numerous advantages. The obvious ones are speed, efficiency, confidentiality and flexibility, amongst others. These are well known and don't bear more than a mention. Greater value is gained from the ability to use a customised, standardised approach on a global, national or even departmental scale. This is where electronic solutions create the biggest advantages. This is also more complex and does warrant a deeper discussion.

## Understanding what needs to be measured

On the basis of the 'What You Measure Is What You Get' theme, it's fundamental to first plan what aspects of management and team behaviour you need to measure. Once there is clarity on this subject, a range of assessments can be defined to provide a consistent organisation-wide programme.

What is type of organisation is this?  
What are our critical success factors?



What characteristics do we need as an organisation to be able to ensure those success factors?

What cultural aspects do we currently have?

Is there a 'fit'?

While these questions seem simple on the surface, get a group of executives from the same company to answer these questions and you can guarantee a healthy debate. It may well be useful to apply a Culture Assessment at this early stage. These come in various forms, but all effective ones should do the job of providing a picture of what the general characteristics of the organisation currently are.

With consensus on this, a set of demonstrable skills can be identified which epitomise the ideal company culture. This is just the beginning. The definition of a competency framework (or frameworks if different ones are required at different levels of the organisation) allows for the structured use of a set of assessments and measures of soft skills. The refinement and further development of competency frameworks is discussed in more depth when we get to the subject of the strategy.

At this stage, deciding which type of assessment to use in each situation is advisable. Traditional psychometric tests are good indicators of potential and can be valuably applied to recruitment and selection. However, what psychometrics don't provide is a view of individual or team performance in context. The contextual basis is critical. It's all very well to know what a person's Ability Test or Personality Inventory results are and their Myers-Briggs profile will give you an idea of how they might operate in a broad sense – but none of these cover aspects of relationship dynamics or the impact of an individual's behaviour on the people around them, and therefore on the organisation as a whole. Traditionally, Western management theory has taken the view that it's only the results that count; that what you achieve is the only thing that matters, and how you've achieved it is irrelevant. For various reasons companies are recognising the process approach as having greater value than the results approach. This is not to say that results are unimportant – simply that the process should be considered as an integral part of the assessment of performance.

Once what needs to be measured has been decided, technology facilitates the creation of both a broad assessment across the company, and specific performance tools tailored to fit sub-sets of activities.

### **Case Study I \*\***

For many global organisations, leveraging diversity is a key factor in their future success. Banks and professional service organisations in particular see the importance of this and many have a diversity programme that focuses specifically on the development needs of women. Despite having a company wide management assessment in place, the diversity office of a major high street bank considered it valuable to use a competency specifically designed for its senior women's development programme. Although these were not the only differences, the assessment was developed with additional emphasis on aspects of work-life balance and assertiveness.

### **Recruitment and Selection**

This is the realm of psychometric tests and assessment centres. There is no certainty that the person selected will be a 'fit' with the team. However, the ability to gather evidence of aptitude and some degree of attitude through tests conducted prior to the interview does



improve the success ratio. More significantly, where a competency framework has been defined and the organisation has a clear understanding of what they want to measure in the way of soft skills, the focus on these can start as early as the recruitment and selection stage.

### **Case Study 2 \*\***

A leading European computer provider had done a comprehensive job of defining their range of competencies. Eight competencies were identified and aspects of these were included in the selection process. Having done the groundwork, only minor adaptations were required to produce a management assessment consistent with these attributes. The organisation now has a cohesive approach across the selection and training functions.

### **Management and leadership assessments**

Much has been said about the difference between management and leadership, and there are numerous theories on the subject. What is generally agreed though is the fact that there is a fair degree of cross over, although the two are certainly not the same. It is also agreed that strong leadership is a critical factor for the success of a team. The competency framework of most organisations is likely to include a mix of skills – some of which have a stronger emphasis on management and others focus on leadership.

Whatever the specific mix, a thorough management assessment should also take into account the dynamics of the team within which the individual is working. It is for this reason that 360 and 180 degree feedback is gaining increasing recognition. Sometimes known as Multi-rater systems, this method incorporates the views of the individual's manager, as well as a number of groups of other stakeholders which may include the categories of direct reports, peers, or even suppliers or customers. The final report gives a clear picture of the individual's strengths as well as attributes that need development. As a precursor to a training programme, this provides the organisation with maximum value for their training investment. If developed to measure the competencies already defined by the organisation, it fulfils the dual criteria of consistency and individual focus. While it's impossible to precisely quantify the return on investment on management training, it is perfectly feasible to view this in terms of ways of delivering greater value using the same training. A multi-rater system allows individuals to clearly identify the aspects of training which fulfil their greatest current development needs. If used in conjunction with an electronic personal development plan, the trainee can define actions, set timescales and then review progress. Use of this integrated approach as an intrinsic part of a management development programme helps to entrench a continuous improvement process.

### **Case Study 3 \*\***

The middle and senior level management programme of a global financial services company was developed with the view of using the same principles across the company internationally. A multi-rater system was required to maximise the value of the training programme. By using an internet-based system, the assessment could be developed to measure the same skill set throughout, be administered at a central point, and deliver a support facility for all users of the system. The costs involved were far lower than a similar less automated system. Flexible design meant that the content of the system could be refined when the organisation adapted its strategy to better serve its current market.



## Team development

Getting the ideal team structure and dynamic has even greater complexity than the application of performance tools to the development of an individual's skills. One approach looks at the individual personality types within a team and seeks to ensure that all bases are covered. The Belbin approach is the best known of these. The next step in the evolution of this approach is to examine the relationship between members of a team (as opposed to simply the type-fit). This approach is more dynamic and potentially more complex than the 'type' approach as the permutations are numerous. The ability to predict outcomes of relationships within the team and even the organisation would not be feasible without the data processing power provided by software solutions.

A second approach is to view the team as a whole. Surveys conducted across team members allow management to identify key motivational factors to improve team performance. Outcomes of the assessment allow the team as a whole to decide on specific actions that will improve their results, based on their perceived areas of need. The team takes ownership of the improvement process because the input of every member has been included and decisions are driven by consensus. However, it must be noted that considerable expertise is required in designing the content of this type of assessment.

It is feasible to use more than one of these approaches for a single team at times as each has its own areas of strength. For example, additional value may be gained from the use of a team assessment, followed by the application of multi-rater performance tools for key members of the team.

In all cases, the complexity of gathering and collating data from all the members of a team makes the use of an electronic version of the assessment far more cost-effective. In addition, in team assessments, the issue of confidentiality is paramount.

### Case Study 4 \*\*

Call centre attrition rates are notoriously high. A global organisation was seeking to reduce the attrition rates and improve performance levels in its call centres across Europe and the USA. A team assessment was applied within each centre. Using a web-based team performance tool allowed the organisation to measure all teams against the same criteria, and deliver the results directly after the assessment was completed. The same measure was taken every six months and teams could measure progress against previous reports. The result has been a continuous improvement in overall morale and performance.

## The strategic value

On the surface, the value of each electronic assessment is largely in the application to which it is applied – either team or individual performance. It is quite true that the immediate and greatest potential for change is to the individual or team using the tool. However, there are significant organisational implications that go beyond the immediate gains.

If organisational change is involved, the process of online feedback provides the opportunity to create an open and supportive management culture. The very fact that employees are given a secure and confidential environment in which to express their opinions engenders better communication. However, be aware that change may still come slowly. The process



involves recognition of change, convincing people that the changes are here to stay, and finally helping them to adapt to the new environment. Behavioural evidence of change must come from top management along with a complete implementation programme. Beyond that, occasional progress checks through electronic evaluation will keep things on track and act as additional tangible reinforcement of the change.

Other strategic benefits come from being able to view organisation-wide management and team performance information. The data collected can be used to add value to the process of defining organisational strength, training needs, and even to refine the competency framework used. This comes back to the initial point of understanding what needs to be measured. It may pay to check how close the fit is between the framework being used, and the specific people skills and business abilities considered significant by the organisation's management team. By ensuring that, in addition to a performance rating for each question in an assessment, an 'importance' rating is also gathered, a correlation can be drawn up between the behaviours being measured (the performance rating), and how significant these may be to the organisation's overall success (the importance rating).

An ethos of continuous improvement is reinforced by regular re-measures. The ability to benchmark performance provides employees with the opportunity to view progress measured against relevant data. However, there is an inherent danger in re-measures that should be carefully considered. If done too often, 'assessment-fatigue' will have a negative impact on the results. As a general rule, team assessments should be conducted at least six months apart. Multi-rater reviews on individuals should not be conducted more than once a year if possible.

## Overcoming problems – the training department perspective

There is a view amongst HR and training professionals that companies are in danger of losing sight of the value of the human element when dealing with assessments and appraisals. There is no denying that the people-factor is critical in the process. However, increased workloads, time pressure and the sheer scale of the task within large global organisations dictate a more systematic approach. An ideal solution under these circumstances is one that combines the efficiency, consistency and accuracy of an electronic solution, with effective face-to-face interaction.

In the 'Perspectives on Performance Appraisal' study conducted by MSA Interactive at the end of 2002, HR and training professionals expressed the following views on current problems and their preferences for change:

- Only 22% were already using electronic systems for data management in the appraisal process.
- On the subject of consistency - using their existing systems, 55% expressed the view that outcomes vary from department to department, and 29% believe that changes in department manager mean employees don't get a stable view of their progress
- 40% favoured a change to a multi-rating system, 27% expressed a preference for a more automated system and 26% specified an electronic system.



## In conclusion

Intranet or web-based assessments provide the benefits of precision, greater access to data, increased efficiency and lower costs. They also provide the means for consistent measurement at greater speed across multiple locations – and as a result, the ability to use the data strategically.

It's no co-incidence that companies making a significant investment in people are also those that out perform share indices over time. The UK Sunday Times 'Top 100 Companies To Work For' stand as evidence to this. Over a 5-year period, they have jointly had a 25.4% growth in share and dividend returns. By comparison, the rest of the All Share index measured at 6.3% over the same period.

Companies that leverage technology to apply up-to-date management development techniques and knowledge are more likely to gain a competitive edge.

Comments and queries on this subject are welcomed, and can be addressed to [Vandy@MSAinteractive.com](mailto:Vandy@MSAinteractive.com) ([www.MSAinteractive.com](http://www.MSAinteractive.com))

### Note:

\*\* The work done on behalf of many organisations may be sensitive in nature and requires a level of confidentiality. If you'd like further information on any of our case studies, please contact us directly and we will seek permission from our client to disclose further detail to you.