

# THE FUTURE OF MANAGEMENT TRAINING AND DEVELOPMENT IN THE F.R.G. AND IN GREAT BRITAIN

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## A. INTRODUCTION

In the course of a multinational research programme on the management development methods used in industry, interviews were held with top representatives of institutes which offer management seminars and courses for business executives. The research was carried out in Berlin (the biggest industrial city in West Germany) and London (the major industrial area in Great Britain). The institutes to be interviewed were selected on the basis of information supplied by personnel managers in industry as to the management institutes which were most used by their companies' managers. Accordingly, the survey covered the five leading management institutes in Berlin plus a sixth in West Germany, which was widely used by Berlin managers, and eight of the best known and most important institutes in the London area.

In the following pages we present a collation of the answers received from all the institutes covered by the survey in both countries, giving their predictions regarding the trends to be expected in management training and development in general and in management training through institutes.

## B. THE FUTURE OF MANAGEMENT TRAINING IN THE FEDERAL REPUBLIC OF GERMANY

Interviews were held with all five of the leading management training institutes in West Berlin and with the institute in West Germany most frequently attended by managers from Berlin.

### I. General training trends

1. *Quantity of training.* All the institute representatives interviewed in the Federal Republic of Germany (i.e. 100%) believe that management training will be practised

more extensively (some believe much more extensively) in Germany in the future. They consider that companies will find this necessary for the following reasons :

(a) It will always be very important for managers to keep up with the latest advances in technical knowledge (including all branches of professional and scientific knowledge, not just technology) and the latest devices.

(b) Managers will have to keep reorienting their attitudes in order to adapt to new social trends, new ways of thinking, new beliefs and new legislation.

(c) Reasons of prestige : since managers regard education as an effective means of advancement, they will be keen to participate in management training seminars and programmes.

(d) Demand will come not only from private concerns but also from the public administration, which will make efforts to increase the abilities of its executives through training.

2. *Variety of content.* Until recently very many management training courses dealt with techniques which aim to provide managers with effective business tools. The changes now taking place will make a wider variety of seminars available, as a result of :

(a) A standstill or decrease in the number of seminars on business economics and techniques;

(b) An increase in the number of more general seminars dealing with skills and branches of knowledge necessary to all managers, no matter what their department or their function within it, e.g. decision making, motivation and general behavioural aspects.

(c) An increase in the number of «speciality seminars», i.e. those which aim to provide managers with the knowledge and skills needed in dealing with special new situations and problems, such as east-west trading practices.

Each of these trends was mentioned by two institutes.

3. *Closed courses.* One institute foresaw a steeper increase in the number of seminars and courses tailored to suit individual companies. These would be designed to satisfy those companies' management training needs in one specific branch of knowledge or field of activity, and attended only by their own managers.

4. *Training methods.* One institute expressed the opinion that in addition to the traditional methods of training already in general use (lectures, discussions, slides, etc.), much wider use will be made in the future of case studies, role playing and video techniques and much more emphasis will be placed on «active learning», i.e. faster and more thorough learning through the managers' active participation and cooperation in the seminars.

## II. Trends in institutional training

1. *Less institutional training.* Four institutes (i.e. 66.7 %) fear that there is likely to be a decline in institutional training. Their main ground for this belief is the fact that very large companies are providing more and more internal

management training, thus lowering attendances at institutional seminars.

2. *New orientation of institutional training.* Some believe that this fate can perhaps be escaped by institutes that can offer *practical courses in new and specialised subjects*, which would not be practicable, as internal courses, for even the very large companies. Another way of averting the threatened downturn in institutional activities is to orientate the seminars in such a way as to *attract managers from small and medium-sized companies*, which are expected to make increasing use of management training.

3. *Systematisation of training.* With the institutes coming under pressure through the growth of in-company training and the consequent reduction in their share of the market, they will be forced to systematise their curricula and improve the quality and effectiveness of their seminars. «One-off» seminars will not be enough: institutes will have to offer sophisticated, global management development programmes whereby they can undertake to train the whole management of their client companies and to do so in on-building stages. The representative of one institute used the term «socialisation» of training to refer to this more comprehensive approach.

## C. THE FUTURE OF MANAGEMENT TRAINING IN GREAT BRITAIN

### III. The general trend of management training and development (MT & D)

All the institute representatives interviewed believe that companies will spend more money and effort on management development (MD) in the future, though opinions differed as to the expected rate of increase in MD services. There are two main schools of thought: (a) the pessimists, who foresee a near standstill, and (b) the optimists, who predict a steep increase in the demand for MT & D services.

(a) One of the eight institutes visited (i.e. 12.5 %) forecasts a virtual standstill in the demand for MD services in the near future. This would mean the end of a period of rapid expansion and the beginning of a new phase of consolidation and readjustment, marked by the disappearance of marginal seminars and institutes.

(b) The great majority of the institutes interviewed (all the other seven, i.e. 87.5 %) have a different opinion as to the future involvement of companies in MD: they believe that there will still be a strong need for the right programmes, that more effort will be spent on training and development, that more companies will be involved in MD and, in general, that MD is a developing discipline and a growth business.

### IV. Specific trends expected in MT & D as a whole

1. *Closed courses.* The trend seen as most likely (predicted by 5 of the 8

institutes, or 62.5 %) is towards closed courses, i.e. courses and seminars designed for specific circumstances and problems. Many companies are expected to opt for closed courses in the hope that the knowledge thus acquired, though based on theory, will be of more practical application, and therefore more useful for the participants and consequently for the company itself, since they are tailor-made for it.

Other trends foreseen by some of the institutes covered by the survey include the following :

2. *Subjects taught.* Two probable trends were mentioned in connection with the subjects taught in management training courses :

(a) Two institutes out of the eight interviewed (i.e. 25 %) foresee a movement towards *specialised courses*, in other words an increase in specialised training and a decrease in general training.

(b) Two of the institutes (25 %) mentioned the influence of *vogue subjects*, pointing out that different subjects are «in» at different times. In 1974-75, for example, there was a great demand for finance courses. Earlier, marketing courses had been the big thing. In view of the fact that many companies devote too little attention to the human aspect of management while the human factor is acquiring ever greater importance in organisational life, a swing towards more courses on management of people (e.g. industrial relations, organisational development, changing attitudes, etc.) is anticipated.

3. *Level of knowledge and seniority of participants.* In the opinion of three of the institutes (i.e. 37.5 %), the courses of the future will be more demanding both for the participants and for the teaching staff, but particularly for the latter. Two factors are expected to encourage this trend. In the first place, the spread of management training means that the next generation of managers will have much more professional managerial knowledge than their predecessors, and consequently they will demand a much higher level of knowledge from the courses they attend. Secondly, there will be more participation by senior management, for three reasons : (a) because of the spread of management training generally; (b) because managers with plenty of potential who are attending management courses today and will be at or near the top of the hierarchy in a few years' time, will be firm believers in the value of modern management training; and (c) last but not least, because the next generation of managers will be better educated and more professional than the present generation, thus putting the top executives under pressure from beneath. This means that every new top management team will be more interested in pursuing further management studies than its predecessors, and therefore there will be many more courses for senior management in the future than there are today.

4. *Internationalisation* of courses. Three institutes (i.e. 37.5 %) remarked on the trend towards greater internationalism in management courses following

the internationalisation of markets and companies. International firms are becoming increasingly aware that managers in different countries require different kinds of knowledge and skills, and that those who are successful in one country will not necessarily be equally effective in another. Consequently there is a growing demand for courses which try to prepare managers for international operations, especially since Britain joined the European Communities.

5. The *methods of training* in use will be slightly different from those used nowadays. The traditional methods of formal training will be replaced in many cases by more modern methods which involve the active participation of the trainees. The trend towards more active participation seems to be taking four forms :

(a) *Self-teaching in laboratories*, e.g. for courses in languages, programming and other kinds of knowledge which can be learned by means of programmed instruction. It is foreseen that self-teaching techniques will develop very rapidly in the future. This trend was mentioned by one of the eight institutes, i.e. 12.5 %.

(b) *Real situation oriented training*, in which trainee and tutor work together much more closely and on a more personal level than in classroom lectures or seminars. The problems confronting the trainee are analysed jointly by him and the tutor, and the trainee takes decisions and outlines courses of action which are then monitored by the tutor, who explains mistakes and guides the trainee towards the decisions and actions best suited to the circumstances. This method, which might be described as «self-teaching with tutorial guidance», requires the trainee to cast about and work out the solutions for himself. It takes him more time to acquire the desired knowledge in this way, but once acquired it is very firmly instilled, since it is based on practice. Training courses of this kind will be run inside the organisation, using company employees as well as external (i.e. institute) staff as tutors, and will be aimed at the particular needs of the company's managers. Four of the eight institutes interviewed (i.e. 50 %) gave it to be understood that they expect this method of training to gain ground in the years to come.

(c) «*Modular*» or «*sandwich*» courses. Two of the institutes (25 %) predict an increase in the use of this method of training, which is likewise based partially on active participation by the managers, who learn while performing their duties under the instruction of tutors. The difference between this and «real situation oriented training» is that the modular courses are broken up into three stages : first a classroom course of two or three weeks; then a few months of project-based training within the organisation, when the trainee managers are put to work on specific projects; and finally a follow-up-and-training stage in the classroom, in which the trainees present their in-company project work and discuss the criticisms and comments made on it by the other participants and the tutors. Sometimes it is preferable to divide the course into five stages (with two in-company project-based stages and two follow-up stages), with each one lasting for a shorter time.

(d) One of the institutes forecasts an increase in *team training*, which will aim at strengthening the cohesion between team members (e.g. top managers, or

executives who are not pulling well together) by exposing them to common risks, either physical or financial. The idea is that this brings people closer together and develops friendships between them by making them realise that ultimately their interests are the same.

## V. Trends in institutional MT & D

1. *General trend.* Four institutes (i.e. 50 %) expressed their opinions about the overall amount of work they can expect to have in the future. All of them believe that management training institutions in Britain will survive because there is a large market for them, but that their rate of expansion will be rather slow because of competition from in-company training, which will increase rapidly.

2. *In-company training.* Six institutes (i.e. 75 %) foresee a fairly rapid increase in in-company training : many companies, parts of companies and organisations will find it best to order tailor-made courses, in other words they will let management training institutes design and run courses and seminars covering the knowledge and skills that their managers need in order to cope with situations and problems arising in the course of their work. Evidence of this trend can already be found in the statistics of many institutes. One example, taken from the records of a well-known English management training institute, is given below. The figures represent the percentages of the institute's total business (measured in student weeks) accounted for by in-company courses :

1969	1970	1971	1972	1973	1974
10 %	15 %	18 %	20 %	20 %	27 %

3. One of the institutes mentioned a gradual trend towards more *company-owned training centres*. A natural consequence of the growth of in-company training is that large firms or groups of firms wishing to run many internal courses need to have the appropriate accommodation, equipment, personnel and other facilities on hand, and so they establish a company-owned management training centre with professional staff and sophisticated teaching aids. In some cases, usually when the training centre belongs to a group of firms, it works like an independent institute, charging each firm with the costs of the courses taken by its managers. These company-owned management training centres cater only for the company's ordinary mass needs, and not for special cases. The larger the company and the more training-conscious it is, the larger and more sophisticated the training centre it will need. Since the trends towards larger organisations and more professional management are expected to continue, one may predict an increase in the number of company-owned training centres and in their relative importance for management development. Moreover, the need to be away from the office for certain kinds of study, in order to be able to concentrate on the course without being distracted by everyday company business, and simply for the beneficial effects of a change of

environment, favour the swing towards company-owned centres, which are mostly set in peaceful surroundings far removed from the place of work.

4. *Greater variety of institute work.* As two of the institutes (25 %) pointed out, the predicted growth of in-company training and training in company-owned centres does not mean that the companies will ever undertake the training of their managers entirely on their own or that the institutes will have less to do, but rather that the variety of institute work will be wider. Some of the main reasons advanced in support of the belief that institute work will become more varied without decreasing in volume are the following :

(a) Companies in general will become more aware of the value of management training, in other words *more training-conscious*. This means that :

i. Companies that have hitherto made no use of MD facilities will start sending their managers to attend courses in institutes.

ii. Small companies already engaged in MD will send their managers to institutes for training more often than hitherto.

iii. Larger companies, even if they step up their in-company training and even if they possess their own centres, will still have to send their managers to institutes for specialised courses and seminars, because it will be impracticable and uneconomic for the company centre to specialise in every subject.

iv. One of the great advantages of management training in seminars is that managers from different companies have a chance to get to know each other, to interact and to discuss their common problems. Some companies will therefore send their managers to seminars run by independent institutes for no other reason than to avoid «management incest» in the company, to stimulate their managers and to bring in new ideas.

v. Even the largest and most sophisticated companies will have to send their senior managers to special institute seminars for top managers or executives in order to train and stimulate them.

(b) *Cooperation between independent institutes and companies*, mentioned by four institutes. Companies and institutes are expected to work more closely together while still remaining separate. This cooperation will take two forms :

i. An independent management training institute will undertake to run closed courses, on its own premises, specially tailored for the needs of a client company.

ii. An institute will undertake to help a company in a consultative capacity and also, in some cases, by providing teaching staff to run its own courses on the company's premises. For this the company will need to possess the main facilities (accommodation and equipment) but not the professional know-how required for planning and running the course and for follow-up.

5. *Greater professionalism.* In order to withstand the competition from the companies and to win their confidence and cooperation, institutes will do their best to make their services more professional and thus more effective. For example, they will have to define their objectives more clearly and in quantifiable terms,

and to design their courses so as to make them capable of attaining these objectives more completely.

#### D. COMPARISON BETWEEN THE TRENDS EXPECTED IN GREAT BRITAIN AND IN WEST GERMANY

##### VI. Overall trends in management training as a whole

The general consensus of opinion among the institutes interviewed in both countries is that the demand for MT & D seminars and courses is likely to increase. It seems clear from the answers received, however, that the German institutes are more sanguine in their expectations than those in Britain. More specifically, 87.5 % of the British institutes expect managers to be exposed to more training in the future (the other 12.5 % predicting a standstill), whereas 100 % of the German institutes believe that much more management training will be done in the future. Thus we have twofold indication that management training institutes predict a better future for MD in Germany than in Britain : not only are the German institutes unanimous in their expectation of better times, but they are also more optimistic as to the strength of the upward trend.

##### VII. Specific trends in management training as a whole

1. A swing in favour of *closed courses* is expected in both countries. However, whereas 62.5 % of the British institutes predict an increase in the number of closed courses, only 16.7 % of those in Germany mentioned such an expectation. From this it can be seen that the trend towards closed courses (as defined on pp. 6 and 7/8) is expected to be much stronger in Britain than in Germany.

2. As regards the *subjects* that will be taught in the future, the expectations of institutes in the two countries coincide in one respect and differ in another :

(a) Approximately the same proportion of those interviewed in both countries (33.3 % in Germany and 25 % in Britain) expect that *specialised courses and seminars* will become more numerous and thus help to strengthen the position of institutional as against in-company training (see pp. 6 and 8).

(b) Whereas 25 % of the British institutes foresee weaker demand for their *general management courses*, because they will be more widely offered in the companies, 33.3 % of those in Germany expect to provide more general seminars because they are attractive to a broader spectrum of management and to firms new to management training.

3. Since only one of the German institutes made any reference to changes in *teaching and training methods*, the implication is that most of them expect that



the more or less traditional methods now current\* will continue to be used, at least in the near future. Institutes in Britain, on the other hand, expect wider use to be made of «new» methods such as self-teaching in laboratories (12.5 %), team training (12.5 %) modular courses (25 %) and real situation oriented training (50 %).

4. The British institutes also foresee trends towards higher levels of management training and increased internationalism. By contrast, those in Germany made no mention of changes expected in either of these respects.

### VIII. Trends in institutional MT & D

In both countries, about half of the institutes interviewed expressed their belief that, in spite of the vigorous growth expected in MT & D as a whole, the demand for institute courses will be no stronger in the future than it is at present. Of those interviewed in Britain, 50 % believe that management training institutes will survive and expand slowly. The other 50 % expressed no opinion on this point. Although the German institutes expect more MT & D in general, they are slightly pessimistic about their own future : 66.7 % of them foresee a relative decline in management training through institutes. The other 33.3 % expressed no opinion.

The pessimism of the Germans is mainly due to their expectation of relatively more in-company training in large companies. This same trend is foreseen by 75 % of the British institutes, which means that it is expected to be slightly stronger in Britain than in Germany. Moreover, in Britain it will be accompanied (according to 12.5 % of the institutes) by a trend towards more company-owned training centres.

The predicted downturn or standstill in institutional MT & D will force the institutes to introduce various changes in order to tackle the difficult situation this will create for them. The solutions envisaged by the British include variation of the institutes' activities (25 %, see p. 11) and greater professionalism (12.5 %, see p. 12); and by the Germans, reorientation of institutional training (16.7 %, see p. 7) and systematisation (16.7 %, see p. 7).

### E. Conclusions

The conclusion to be drawn from the above notes is that British industry is at least one step ahead of German industry as far as management training is concerned.

The demand for MT & D from German industry has not yet reached the market saturation point. British industry, on the other hand, has already sent so

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\* On the management training methods in use in Germany: see Kanellopoulos, Ch. : «A Comparative Study of Management Training and Development in American Subsidiaries in Germany and in German Companies» in Spoude, 1976/2.

many managers to seminars and courses that MT & D institutes in Britain, if they are to survive and expand, are expected to have to change their activities more than in Germany, in order to meet the competition presented by in-company training and company-owned training centres.

It is significant, too, that the proportion of the survey sample forecasting a swing to in-company training (closed courses) is four times as high in Britain as in Germany. This seems to indicate that the trend is still in its early stages in Germany and much more advanced in Britain.

Similarly, British institutes mentioned the introduction of newer training methods and the trend to greater professionalism: the implication is that MT & D is already more professional in Britain but still based on more traditional ideas in Germany.

Lastly, the fact that Britain has more international and multinational companies makes British institutes more aware of the trend towards internationalisation.