

THE ROLE OF DEVELOPMENT CENTERS IN MANAGERS' EDUCATION

Šárka Hudcová

Faculty of Economics, Czech University of Life Sciences in Prague

Abstract: *The paper called „The Role of Development Centres in Managers Education“ is focused on the description of a development centre and the identification of its value for managers' education. The paper contains a case study describing the implementation of development centres into managers' education in one of international companies performing in the Czech Republic.*

Keywords: *Development Centre, Leadership Competencies, Managers, Leaders, Education, Development.*

JEL Classification: *J240.*

1. Introduction

Managers are the key employees for every organization because they create and execute the organization strategy, manage all processes and lead their employees to the achievement of defined objectives. This is the reason why managers' education is planned and carried out with special attention employing the most effective forms of education. One of the most frequently implemented tools in managers' education is a development centre.

Development centre is a special tool used for the analysis of current level of competencies, for the identification of the strengths and weaknesses and for the projection of the individual development plan. This paper is aimed at identification of benefits which arise from using the development centres in managers' education. A case study which illustrates the implementation of development centres in the praxis of an international company is a part of the paper.

The paper is one of the outcomes of the research connected with the dissertation thesis called “The role of communication in knowledge management” which is being written by the author of the paper and which is focused on communication of knowledge in international, non-manufacturing companies that have an affiliate of more than 250 employees in the Czech Republic and that deliver complex solutions to customers. Four companies meeting these criteria were researched (observation, structured and non-structured interviews with employees and managers), results summarized in case studies and analyzed in cooperation with personal management experts. The experts also identified recommendations on improvement.

Only one of the researched companies is continuously using development centres. The other companies are aiming to implement this concept in one or two years.

2. Development centres

2.1 Definition of development centre

Development centre (DC) is one of educational activities focused primarily on the current development level of a person; it compares real behaviour with defined competencies, identifies strengths and weaknesses of the observed person and defines recommendations on his/ her further development. Psycho-diagnostic methods and techniques are used during the development centres to achieve the above listed objectives.

The main feature of DC is a presence of two groups of people: participants and observers. DC is a sophisticated combination and sequence of various techniques selected and applied so that the evaluation of these characteristic features and competencies that are targeted by the organization is enabled. It is the social skills that are focused on; such as presentation skills, team cooperation, managers' skills, sales skills, etc. Moreover, it is possible to evaluate the personality in general.

The main DC characteristics are:

- focused on personality characteristics and the identification of development needs of the selected and often key, employees. All information collected at the DC is used for the establishment of individual development plans of the observed employees;
- aimed at employees important for an organization, they are often managers, high potential employees or employees looking for a stable position within the organization;
- participants undergo various activities at the DC, e.g. simulation of real life situations, interview, model problems discussions and solving, psychological testing;
- DC participants get feedback that is considered to be the basis for their better self-understanding and for further development planning;
- organization shows its interest in its employees, helps them to find the ways how to achieve excellence in their job role, which has a positive impact on their value on the market.

2.1 Benefits of implementing the development centres

In general, benefits of implementing development centres can be summarized as follows:

Tab. 1: Benefits of development centres implementation

Organization	Employee
<ul style="list-style-type: none"> • improved employee development planning that is based on his/her strengths and weaknesses (compared with competencies) identified at the DC; • means of finding high potential employees, e.g. organization is searching for employees who are good candidates to become managers in future; • way how to stabilize employees: organization using the DC shows interest in the career and professional development of its employees and readiness to support its employees in further education and qualification improvement. 	<ul style="list-style-type: none"> • gets feedback on his/ her behaviour and acting that is related to competencies defined by the organization; • gets individual development plan focused on identified strengths and areas for improvement; • reinforced motivation because of his/her awareness of the fact that he/she belongs to the key or high potential employees.

Source: [1, 3, 4]

Organizations using the DC improve education activities planning, as well as conducting personal changes and searching of good candidates for new positions within the organization, furthermore they can stabilize employees and reinforce their loyalty. The DC is of a big benefit also for the attending employee, which motivates employees to participate in the DC.

Benefits of the DC are stressed by Kyrianova and Gruber (p. 126): “DC can handle social skills best. That is why it makes sense to use it for jobs demanding communication with people and in contrary it does not make sense for jobs like technicians and specialists.” Taking into consideration costs connected with DC realization, it is clear that only key employees can be involved. Managers are for sure key employees for every organization, so they are the best target audience for DCs.

3. Case study

3.1 Development centres in praxis an international company

An international company meeting the criteria stated in the introduction above uses development centres in managers’ education in two ways:

- a) for potential managers to check whether they are really good candidates for a manager role and to give the right direction to their development (= strengths reinforcement and weaknesses removing/ improvement);
- b) for successful managers who could become top level managers, e.g. managers of a business unit on a regional level.

Both versions of the development centre have following things in common:

- they are embedded in a strategic program of talented employees development. The program is focused on potential candidates for managers positions in the first place and on good current managers who could be promoted to more important roles in the second place;
- DC participants are selected on grounds of nominations by their managers that are validated by HR department;
- DC participants come from various countries in the Central and Eastern Europe, the DC is conducted in English;
- there are current managers acting as observers at DCs. Observers observe all participants during the DC in order to achieve as much of objectivity as possible;
- participants go through a set of individual and group activities at the DC – discussions, simulations, role plays, interviews, ... All activities were created for the purpose of evaluation of leadership competences;
- feedback to participants is structured according to their leadership competencies. The set of leadership competencies is the same for both versions, difference is in the level required.

Differences between the both versions are summarized in the table below:

Tab. 2: Differences between DC for potential and current managers

	Potential managers (ad a)	Current managers (ad b)
length	3 days	2 days
activities at DC	created for simulation of a department manager position	created for simulation of a business unit or country manager position
observers	current managers with at least 3 years of praxis	current top managers with at least 10 years of praxis
No. of participants from CR/ per year	cca 20	cca 3
frequency	regularly, based on a plan that is created always for a year (cca 20x per year in the region)	accidentally, always based on the needs in the region (Central and Eastern Europe)

Source: (author's research, 2010)

It is obvious that aiming the DC at different target groups does not significantly change its purpose and main principles. Differences are in the way how the DC is organized because it is necessary to ensure appropriate conditions for every target group. Frequency of DCs and number of its participants correlate with the average number of managers on the adequate level in company's hierarchy and with the natural need of their renewal.

3.2 Benefits and risks of the DCs identified in the researched company

Benefits and risks connected with DCs implementation into managers' education were studied in an international company. The survey focused on potential managers (ad a) because of higher number of participants which ensures higher validity and reliability to the results gained. Following groups of people were involved in the survey: DC participants from the Czech Republic, their managers, managers from the Czech Republic acting as observers, HR employees and experts from an external vendor delivering the DC to the organization.

Tab. 3: Benefits and risks connected with implementation of development centres

Benefits	Risks
Employees (participants)	
<ul style="list-style-type: none"> • get feedback from experienced managers who do not know them in their usual working environment; • have opportunity to interact with other candidates for manager role, can compare/ benchmark and self reflect; • receive individual development plan aimed at leadership competencies development; • meet with other participants and observers, build relationships and social networks throughout the organization. 	<ul style="list-style-type: none"> • evaluated is only the performance at the DC which can be negatively influenced by higher level of stress, misunderstanding concerning the instructions for activities, limited time for preparation, topics of activities etc.; • results achieved at the DC are often considered the main criterion for promotion/ non promotion to manager role, development activities are not of such an importance for them.
Employees (observers)	
<ul style="list-style-type: none"> • practicing of observation skills and of feedback providing; • gaining inspiration for own employees development, opportunity to discuss own opinions and approaches with experienced facilitators specialized in managers' education; • meeting managers and interacting with them, counter-inspiration, negotiation in discussion on participants evaluation; • contacts with future managers, building of social networks within organization. 	<ul style="list-style-type: none"> • high performance demanding/ exhausting (12 hours of continuous concentration and hard work every day); • time consuming – there is no chance to deal with usual daily duties at the DC because the timetable of the observers is rather full (more than the timetable for the participants).
Company	
<ul style="list-style-type: none"> • continuous analysis of the level of leadership competencies of the 	<ul style="list-style-type: none"> • high expenses connected with delivery of the DC (venue, qualified

<p>company employees, possibility to identify trends, access to data useful for hiring of employees and education planning, etc.;</p> <ul style="list-style-type: none"> • development of employees – both participants and observers; • motivation of employees to continue with their satisfactory achievements at the company – they are aware of being considered high potential employees for the company; • company creates a pool of employees able to quickly overtake a manager position; • building of social networks throughout the company which is very important e.g. for knowledge management. 	<p>facilitators, travel expenses of participant and observers, ...);</p> <ul style="list-style-type: none"> • necessity to ensure the same conditions for all the DCs which means the company has to be able to assemble comparable groups of participants and observers (various countries, genders, level of experience, age, ...); • candidates for the DC are often nominated on the grounds of duration of their employment at the company, not of the level of their leadership competencies; • some managers refuse to accept DC results and feedback on their employees and do not work with the recommendations obtained.
--	---

Source: (author's research, 2010)

Following recommendations were formulated on the basis of the discovered facts and in cooperation with experts from companies specialized in development centres.

Recommendations

- continuous promotion of development centres among potential participants and their managers so that they receive correct information, can create real expectations, correctly interpret results and feedback and know how to work with recommendations proposed. The promotion could be as follows:
 - regular information about the DC and its purpose delivered to managers (e.g. in an email newsletter, at a managers meeting etc.) and it is also needed to attach criteria for nominations to the DC;
 - an HR specialist organizes a meeting with candidates nominated and their managers, explains the DC's purpose and the role of results/ feedback from DC for further candidate's career;
 - follow-up meeting after the DC with participation of the HR specialist, the participant and his/her manager. Feedback report analysis with special focus on actions recommended for further development. Planning how and when to make the recommended actions happen.
- offer some special benefits to the managers attending the DC as well as the observers because they sometimes put more effort and energy into it than participants. Benefits can be e.g. an extra free day, a special bonus, wellness vouchers etc.;
- continue to have the DC as a strategic tool for high potentials development, define exact criteria for nominations. The DC is expensive and its delivery difficult - that

is why only really talented candidates proving high level of leadership competencies in real life situations should attend. The length of employment at the company does not measure level of leadership competencies. And development is not only about promotion to manager role.

The recommendations are addressed to the HR department that is responsible for employees' development in the company and is also the "owner" of the DC.

4. Conclusion

The paper defines development centre (DC) in general, summarizes benefits and risks of its implementation, which leads to conclusion that managers are very good target group for this activity. This is given especially by the character of their work and by the important role they play for the organizations. The paper also gives an example of how the DC can be embedded into the structure of personal changes planning in a company. It continues with the analysis of positive and negative effects the DC have on three parties: employees – participants, employees – observers and the entire organization.

The DC discovers the actual level of leadership competencies possessed by people, results in establishment of individual development plans (which gives valuable data also for education planning on the entire organization level), contributes to stabilization of the high potential and key employees, reinforces their motivation and supports social networks building throughout the organization. It also contributes to the development of the current managers acting as observers. In order to achieve all of the positive benefits, it is necessary to motivate employees (especially observers) to participate, communicate purpose of the DC properly, define the target group (and check whether all the criteria are always met) and explain how the results will be utilized.

The paper was written as one of the outcomes from the research done for the dissertation thesis called "The role of communication in knowledge management". The dissertation thesis works with case studies in some international companies.

References

- [1] KYRIANOVÁ, H., GRUBER, J. AC/DC vyber si tým. 1. vydání. Praha: Alfa Publishing, s. r. o., 2006. ISBN 80-86851-29-X.
- [2] MUŽÍK, J. Edukace řídicích dovedností. 1. vydání. Praha: ASPI, a.s., 2008. ISBN 978-80-7357-341-6.
- [3] PLAMÍNEK, J. Vzdělávání dospělých. 1. vydání. Praha: Grada Publishing, a.s., 2010. ISBN 978-80-247-3235-0.
- [4] Co je to development centrum [cit. 2010-11-18]. Available at WWW: <http://www.ad-solutions.eu/index.php?option=com_content&view=article&id=18&Itemid=20>.

Contact Address

Ing. Šárka Hudcová

Czech University of Life Sciences in Prague

Faculty of Economics, Department of Management

Kamýcká 129, 165 21 Praha 6 – Suchbát, Czech Republic

E-mail: sarka.hudcova@seznam.cz

Phone number: +420 733 149 497