

**Sri Lankan Export-Oriented Clothing Manufacturing Industry: A
Comparison of Management Development Practices across
Foreign, Joint Venture and Local Companies**

**A Thesis Submitted to the University of Manchester for the Degree of Doctor
of Philosophy in the Faculty of Social Sciences and Law**

2003

By

Vathsala Medhavini Akuratiyagamage

**Institute for Development Policy and Management
University of Manchester**

ProQuest Number: 10758683

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 10758683

Published by ProQuest LLC (2018). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code
Microform Edition © ProQuest LLC.

ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 – 1346

(E2RQ1)

✕
Th 23324 ✓

JOHN RYLANDS
UNIVERSITY
LIBRARY OF
MANCHESTER

Contents

Cover page	1
Table of contents	2
List of tables and list of exhibits	5
Abstract	7
Declaration, copyright and the ownership of the intellectual property rights	8
Acknowledgement	10
List of abbreviations	11
Chapter 1 Introduction	12-24
1.1 Context of the study	12
1.2 Purpose and objectives of the study	15
1.3 Significance of the study	21
1.4 Chapter outline	23
Chapter 2 Literature Review: Human Resource Development Perspective and Management Development	25-55
2.1 Introduction	25
2.2 Human resource development perspective	25
2.3 Management development	30
2.4 Systematic approach to management development	44
2.5 Summary	53
Chapter3: Literature Review: Importance of Organisational Strategy and Top Management Support for Management Development	56-66
3.1 Introduction	56
3.2 Importance of the HR function in the organisational strategy process	57
3.3 Importance of top management support for the development function	62
3.4 Summary	65
Chapter 4: Literature Review: International Business and Transfer of Management Practices-Implications for Management Development	67-88
4.1 Introduction	67
4.2 Learning in international business	68
4.3 International differences and transfer of management practices	70
4.4 Summary	87
Chapter 5: Human Resource Development in Sri Lanka	89-117
5.1 Introduction	89
5.2. Organisational level human resource development in Sri Lanka	91
5.2.1 Formal development methods	92
5.2.2 Systematic approach to management development	97
5.3 Importance given to the HR function in the organisational strategy process and the nature of top management support for HRD	110
5.4 Summary and conclusion	114

Chapter 6: Export-Oriented Clothing Manufacturing Industry in Sri Lanka	118-136
6.1 Introduction	118
6.2 History, role and foreseeable challenges of the export-oriented clothing manufacturing industry	118
6.2.1 History of the clothing manufacturing industry in Sri Lanka	118
6.2.2 Role of the clothing manufacturing industry in the Sri Lankan economy	121
6.2.3 Foreseeable challenges	122
6.3 Institutional framework and structure of the Sri Lankan clothing manufacturing industry	125
6.4 Main features of Sri Lankan clothing manufacturing industry	127
6.5 Human resource development in the Sri Lankan clothing manufacturing industry	131
6.6 Summary and conclusion	135
 Chapter 7 Framework and Design of the Study	 137-158
7.1 Introduction	137
7.2 Framework of the study	137
7.3 Population of the study	142
7.4 Sample of the study	144
7.5 Method of data collection	146
7.6 Data analysing techniques	156
7.7 Summary	157
 Chapter 8: Characteristics of the Samples	 159-166
8.1 Introduction	159
8.2 Characteristics of the sample: clothing manufacturing companies	159
8.3 Characteristics of the sample: managers of the clothing manufacturing companies	161
8.4 Summary and conclusion	164
 Chapter 9 Analysis and Discussion of Data: Management Development in the Sri Lankan Clothing Manufacturing Industry	 167-228
9.1 Introduction	167
9.2 Identification of management development needs	168
9.3 Setting management development objectives	190
9.4 Designing and planning management development activities	194
9.5 Administration of management development activities	213
9.6 Validation and/or evaluation of management development activities	216
9.7 Summary	226

Chapter 10	Analysis and Discussion of Data: Importance of the HR Function in the Organisational Strategy Process and Top Management Support for MD in the Sri Lankan Clothing Manufacturing Industry	229-255
10.1	Introduction	229
10.2	The importance of the HR function in the organisational strategy process	230
10.2.1	The existence of a strategic perspective and the importance given to the HR function in the organisational strategy process	230
10.2.2	Contribution made by HR managers to the organisational strategy process	238
10.2.3	Existence of HRD units/departments	241
10.2.4	Summary	243
10.3	Top management support for management development	243
10.3.1	Resources committed for the management development function	245
10.3.2	Other means of top management support for management development	246
10.3.3	Summary	254
Chapter 11	Conclusions, Recommendations, Contributions of the Study and Further Research	256-275
11.1	Conclusions	256
11.2	Contributions of the Study	272
11.3	Recommendations	273
11.4	Further research	274
References		276-289
Appendix 1:	Data on the Sri Lankan Export Oriented Clothing Manufacturing Industry	290-291
Appendix 2:	Questionnaire for Human Resource Managers	292-298
Appendix 3:	Questionnaire for Managers	299-303
Appendix 4:	Interview Guides	304
Appendix 5:	Tables of Data Analysis	305-313
Appendix 6:	Exhibits	314-321

List of Tables and List of Exhibits

List of Tables

<i>Table no.</i>	<i>Title of the table</i>	<i>Page no.</i>
6.1	Export earnings of the clothing manufacturing industry	122
6.2	Clothing manufacturing companies in terms of "ownership type"	126
6.3	Ownership of the companies by the continent of origin	126
6.4	Clothing manufacturing companies in terms of "investment size"	127
6.5	Job categories and positions within each category	129
7.1	Stratification of the study population	145
7.2	Representativeness of the actual sample as a proportionately stratified random sample	145
7.3	Classification of respondents in terms of ownership	155
8.1	Clothing manufacturing companies by ownership type	159
8.2	Clothing manufacturing companies by the number of managers employed	160
8.3	Clothing manufacturing companies by the total number of employees	160
8.4	Clothing manufacturing companies by the existence of HRD units	160
8.5	Managers by gender	161
8.6	Managers by age	161
8.7	Managers by the highest academic qualification	162
8.8	Managers by professional qualification	162
8.9	Managers by the years of service	162
8.10	Managers by the level of management	163
8.11	Managers by the function in which they are employed in most of the time	163
8.12	Managers by the ownership of the company they are employed in	164
8.13	Managers by the existence of HRD units in the companies in which they are employed in	164
9.1	Identification of development needs of managers	169
9.2	ANOVA of the identification of MD needs	171
9.3	Usage of succession plans to identify development needs of potential management successors	177
9.4	Usage of performance appraisal information to identify current and future development needs	182
9.5	Identification of development needs through requests	187
9.6	Setting MD objectives	191
9.7	ANOVA of setting MD objectives	191
9.8	Criteria used to set MD objectives (in percentages)	192
9.9	Utilisation of objectives throughout MD effort (in percentages)	193
9.10	Designing and planning MD activities	194
9.11	ANOVA of designing and planning MD activities	194
9.12	Designing and planning different types of formal development activities for managers (in percentages)	196

9.13	Detailed breakdown of different types of formal development activities received by managers (in percentages)	197
9.14	ANOVA of designing and planning formal development activities	206
9.15	Manager's perceptions of informal development opportunities that they have had experienced (in percentages)	207
9.16	Preparation of development plans	210
9.17	Preparation of development budgets	211
9.18	Administration of MD activities	213
9.19	ANOVA of administration of MD activities	213
9.20	Validation and evaluation of MD activities	217
9.21	ANOVA of validation and evaluation of MD activities	224
9.22	Reasons that prevent learning transfer (in percentages)	225
9.23	Summary of the mean values relating to MD	227
9.24	Summary of ANOVA results relating to MD	228
10.1	Existence of a strategic perspective	231
10.2	Importance given to the HR function in the organisational strategy process (HR managers' perception)	236
10.3	ANOVA of importance given to the HR function in the organisational strategy process (HR managers' perspective)	237
10.4	Contribution made by HR managers to the organisational strategy process	238
10.5	ANOVA of HR managers' contribution to the strategy process	241
10.6	Existence of HRD units	242
10.7	Chi-square test of the existence of HRD units	242
10.8	Cross tabulation data on the existence of HRD units in terms of ownership type (in percentages)	242
10.9	HR managers' and managers' responses on resources committed for MD	245
10.10	ANOVA of resources committed for MD function	252
10.11	ANOVA of other means of top management support for MD	253
10.12	Number of managers employed in terms of ownership type (percentage of the total)	254
11.1	Summary of hypotheses tests on the differences in management practices across companies of different ownership	268

List of Exhibits

<i>Exhibit no.</i>	<i>Title of the exhibit</i>	<i>Page no.</i>
9.1	Procedure for development needs identification	170
9.2	Procedure for performance appraisal	183
10.1	Place given to HRD in organisational strategy	232
10.2	Purpose of the HR function	233
10.3	Human resource policies on employee development from two companies	235
10.4	Importance given to the HR function in the organisational strategy	236

Abstract

This study set out to investigate the nature of management development and the effect of ownership type on management development (MD) in the Sri Lankan clothing manufacturing industry. By utilising both informal and formal MD processes, a balanced view of MD is considered in the integrated approach to MD. Learning is a central process in international business; international business provides a platform for organisational learning, giving access to skills and capabilities of partners. When companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures. In the Sri Lankan context, international businesses operate in the export-oriented clothing manufacturing industry as wholly foreign owned and foreign and local joint ventures. Therefore, the study aimed to compare MD practices across foreign, joint venture and local companies by placing an interest in identifying significance of the effect of the ownership type in the transfer of MD practices under export-led industrialisation strategy.

The export-oriented clothing manufacturing companies registered under Board of Investment of Sri Lanka is considered as the population of the study. The findings are based on a proportionately stratified random sample of 78 human resource managers employed in 78 companies and a stratified random sample of 219 managers employed in these 78 companies. The stratification of samples provided the base to generalise findings, which are obtained from two questionnaires designed targeting each sample. In addition to two survey questionnaires, methodological triangulation has been used by supplementing findings from two other sources, i.e., interviews and secondary data.

The study revealed that export-oriented clothing manufacturing companies are more similar in the provision of MD, irrespective of the ownership type. The study showed that foreign and joint venture companies do bring their ideas but local companies are not alien to them due to several reasons including globalisation and requirements of foreign buyers and international standards. These reasons seems to make the process of transfer less difficult and lessen the burden of foreign investors that they might have had a few decades ago.

On the other hand, though the Sri Lankan sample displays a provision of formal aid for MD, none of the efforts have been revealed concerning efforts that have taken to formalise informal and accidental learning opportunities, irrespective of the ownership type of the companies. Continuous learning that takes place within ongoing work relationships and learning objectives come from real organisational problems and issues are not formally recognised by the companies. Therefore, an implication of the study is the evidence it has provided to question the practices of MD, which are still based on the systematic provision of formal aid irrespective of the emerging trends in human resource development.

The findings of the study helped to understand the present nature of MD in the industry and effect of ownership type in MD. As a result, contributions of the study, recommendations, and further research areas are presented.

Declaration

No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Copyright and the ownership of intellectual property rights

- (1) Copyright in text of this thesis rests with the Author. Copies (by any process) either in full, or of extracts, may be made only in accordance with instructions given by the Author and lodged in the John Rylands University Library of Manchester. Details may be obtained from the Librarian. This page must form part of any such copies made. Further copies (by any process) of copies made in accordance with such instructions may not be made without the permission (in writing) of the Author.
- (2) The ownership of any intellectual property rights which may be described in this thesis is vested in the University of Manchester, subject to any prior agreement to the contrary, and may not be made available for use by third parties without the written permission of the University, which will prescribe the terms and conditions of any such agreement.

Further information on the conditions under which disclosures and exploitation may place is available from the Head of the Institute for Development Policy and Management.

This thesis is dedicated to my beloved parents with gratitude

Acknowledgement

In accomplishing this research, I am indebted to number of people and organisations, which assisted me in various ways. Though it is impossible to mention all of them here, I wish to extend my heartfelt, sincere thanks to all of them for their help, support, guidance and contribution that are highly appreciated in this endeavour. But as a minimum I must mention few individuals and organisations.

Most importantly, I wish to extend my heartfelt sincere thanks to the Association of Commonwealth Universities for awarding me a scholarship to study in this prestigious university. Without ACU's material support completion of my Ph.D. would have been impossible.

My greatest sincere gratitude is due to my supervisor Dr Aminu Mamman, Senior Lecturer-IDPM, for his interest in my research and his constant guidance, advice, encouragement, optimism and co-operation without which it would have been impossible for me to complete this study. His keen and careful supervision has made me much confident and self-disciplinary in learning and in conducting research work. I am sincerely thankful for his perseverance, understanding and constant communiqués concerning my many queries and requests essential to meaningful supervision.

This study is a culmination of academic pursuits that goes back many years and I am indebted to my father and mother for all my academic pursuits. They have guided me along this path and have been the source of my strength and efforts.

My deepest appreciation is extended to my husband, Dharmasri, for the support given to me throughout. Without his patience, understanding and sharing, the completion of this thesis would not have been possible.

Last but not least, I wish to acknowledge the professional support afford to me by numerous members from the Sri Lankan export-oriented clothing manufacturing industry. In particular, I would like to acknowledge the directors of the CITI and TT&SC for their help in making contacts with the companies. Further I would like to acknowledge the help provided by human resource managers and managers in responding to the questionnaire and in giving out their honest feelings during the interviews.

List of Abbreviations

ANOVA	Analysis of variance
BOI	Board of Investment
CEO	Chief executive officer
EU	European Union
F	F statistic
GATT	General Agreement on Tariffs and trade
GDP	Gross Domestic Product
HR	Human resource
HRD	Human resource development
HRM	Human resource management
ISO	International Standards Organisation
LSD	Least Significant Differences
MD	Management development
MFA	Multi Fibre Agreement
SHRD	Strategic human resource development
Sig.	Significance
SPSS	Statistical Package for Social Science
STD	Standard deviation
TT&SC	Textile Training and Services Centre
UK	United Kingdom
US\$	US Dollars
USA	United States of America
WTO	World Trade Organisation

Chapter 1

Introduction

1.1 Context of the study

Human resource development has and will continue to play a significant role in the socio-economic development of a country. Governments, organisations, and individuals incur costs in the development of human resource in return for higher benefits in the long run. Individuals engage in human resource development (HRD) programmes with the expectation that those will help them in career development. Though governments have aims, such as gaining long-term socio-economic benefits through alleviating unemployment, organisations are mainly interested in productivity outcomes of HRD. Therefore, apart from looking at the macro perspective, HRD can and should be seen from a micro perspective, i.e., looking at it from the organisational level.

The environmental factors have been changing theorists and practitioners' views on competitiveness. In essence, many have found that true competitive advantage is internal to the organisation, not external as was once thought (Ulrich and Lake, 1990). In today's business environment, high-quality human resource is valuable, rare, difficult to imitate, and not subject to substitution. If managed effectively, human resource is the most expensive and valuable asset of an organisation (Wright and Ferris 1996). Hence, development of this asset is crucial to the success of any organisation. In the international context, learning, knowledge acquisition and adaptation are important rationales for the creation of international businesses that contribute significantly to international business performance (Lyles and Salk 1996). Hence, HRD efforts continue to be an essential element for organisations striving for excellence. Therefore, organisations seeking competitive advantage in today's global competition need to invest wisely in this strategic asset. In Sri Lanka, too, it is an accepted fact that human resource has and will continue to play a significant role in the global competition. The introduction of open economic policies in 1977 has made a significant impact on the realisation of the importance of HRD as a critical factor in the organisational process. With the advent of the open economy, the enhancement of organisational effectiveness has become a matter of vital importance in meeting complex demands of the new business environment. Hence, organisations have taken concrete measures to provide organise HRD programmes in their firms.

In this respect, HRD focuses on learning experiences provided by organisations to achieve its goals (Nadler as cited in Selleh 1992) by viewing people as assets rather than costs, by being proactive rather than reactive, and by balancing employee interests and organisational concerns (Bender et al 1996). Hence, there is a ground for contending that

HRD deserves to be viewed as "the vital component" in HRM (Keep, 1989 as cited in Storey and Sission, 1993), and as one of the most important tools for improving and managing the quality of the human factor (Van Boom 1990). Organisations can adopt two HRM practices to enhance employee skills, i.e., organisations can buy skills through selection or can improve the quality of the current employees by providing comprehensive HRD programmes after selection (Olian et al, 1998; Delaney and Huselid, 1996). In the latter case, the considerable evidence suggests that investment in HRD produce beneficial organisational outcomes (Bartel, 1994; Knoke and Kallaberg, 1994; Russell et al, 1985) though it is difficult to establish an exact link between HRD and an organisation's performance (Armstrong 1996). Therefore, strategically focused HRD offers more flexible and long-term advantages (Olian et al 1998) by signalling the choice of a value-added business strategy (Storey and Sission, 1993). Thus, being understood the value of HRD, organisations actively undertake measures to develop their employees by providing comprehensive HRD activities after selection.

Being a component of HRD, management development (MD) has become accepted by researchers and writers as an important means of developing managers to make the best use of resources. Management development is vital as it provides a climate, in which time, machines, money are all used in each situation, whether "money" dominated, "time" dominated, or "resource" dominated, where maximum results can be achieved (McLendon and Work 1968). Researchers emphasise the importance of MD for the economic growth and success, for the organisation and for the individual (Keep, 1992; Storey and Sisson, 1993; Wickens, 1995). It is said that a country can have endless resources of all sorts but unless management is applied, the productivity of the system will be close to zero. Moreover, the better the management, the greater the output and its quality will be (Farmer and Richman 1964, as cited in Industry Task Force on Leadership and Management Skills, 1994). Thus, management capability is a critical factor in any economy (Schaafsma 1996). Further, effective management is vital for organisational success. Organisations in all economic sectors rely on managers to achieve ultimate productivity, effectiveness, and resource utilisation. In tackling the opportunities of the future, MD plays an important role. Companies do not receive immediate returns on the time managers spend on MD, yet growth of the companies demands upgrading of managerial skills (Lawler et al 1995). Based on the recognition that human performance is instrumental in achieving organisational objectives, MD has been evident in organisations for the last four decades as an important tool to improve the quality level of the whole organisation (Grzeda and Assogbavi 1999). On the other hand, provision of MD can increase the level of commitment of managers to the organisation and increase their perceptions that the organisation is a good place to work (Schuler 1987). Therefore, MD efforts undertaken by organisations indicate commitment to managers while the recipients

are more likely to feel valued as an individual is always searching and trying to develop his/her capabilities (Storey and Sission, 1993; Ferdinand 1988).

In the Sri Lankan context, the country faces severe challenges in the sphere of industrialisation, like its other counterparts in the developing world. Globalisation coupled with modern technology has increased the vulnerability of the country, whose economy depended mainly on traditional sectors for centuries. In the need of industrialisation, Sri Lanka is left with few options to survive and thrive in a more complex and unpredictable global situation. As explained in the next section, with the introduction of open economic policies, in 1977, governments have adopted an economic strategy designed to industrialise through foreign investment. Due to high unemployment and insufficient indigenous capital, the attraction of foreign investment has become a critical priority. On the other hand, in response to increasing global competition, abundance of cheap labour in Sri Lanka and inducements provided by the Sri Lankan governments to the foreign capital, the number of international businesses coming into Sri Lanka has been increasing since 1977. In the circumstances, the importance given to HRD in Sri Lanka, MD in particular, has been increasing. As shown in the next section and further in chapter 4, differences in managerial practices in different parts of the globe show the importance of understanding the assumptions and behaviours of host country employees and venture partners. On the other hand, it takes time to develop an awareness of the thinking differences of different host countries, often much more than a multinational corporation has prepared to spend on an expatriate. Therefore, it can be assumed that they might have brought in their own practices challenging and changing the nature of prevalent practices in the Sri Lankan private sector.

In the meantime, on one hand, Sri Lankan government has been taking steps to enhance industry relevant employee skills to attract foreign investment. On the other hand, local entrepreneurs have recognised that the availability of high quality managers, in fact, places organisations at a competitive advantage over others even within the same industry. According to sources, Sri Lankan private sector having identified human resource (HR) as a source of strategic advantage and inadequacy of management expertise as a major constraint, has tended to introduce HRD programmes to create real competitive advantage (Dept of National Planning 1992). Therefore, the changes that have occurred since 1977 in Sri Lanka made it very clear that organisations have to pay a greater degree of attention to HR in the total organisational process. According to Jayaratna (1996) this has prompted many organisations to bring in HR professionals to corporate management. In the realisation of the importance of HRD to build up professionalism for the further growth of the industrial sector, MD has become vital as managers are required to be the navigators of organisations. In this respect, to attain high level of performance, organisations need managers who are capable of applying and

adopting modern concepts and skills to the specific requirements of the industries concerned. In this context, company sponsored MD systems have to be geared to the development of required manpower, both in terms of quality and quantity.

1.2. Purpose and objectives of the study

Sri Lanka had been under Western rule for several centuries and became independent in 1948. The country eventually followed the economic, political and administrative structures introduced by the British rule, which lasted over several centuries. At the time of regaining independence, Sri Lanka was mainly an agricultural economy. The production of and trade in three plantation crops, i.e., tea, rubber and coconut, contributed to a major share of the national income. However, by the time of regaining independence the economy was open to free trade and it was fully integrated to the global economic system with a considerable degree of external dependence (Central Bank of Sri Lanka, 1998; Ranasinghe 1992).

However, from mid 1960s the governments of Sri Lanka had gradually introduced array of controls to promote local industrial and agricultural activities as it was widely accepted at that time in many emerging economies (Central Bank of Sri Lanka). However, in 1977, far-reaching policy reforms had been introduced to shift the focus from an inward looking development strategy to an outward looking development strategy to free the economy from array of controls (Central Bank of Sri Lanka 1998).

The post 1977 policy reforms, which is referred to as liberalisation package or open economic policies included a number of measures to encourage foreign direct investment (Chandratilake 1997; Ranasinghe 1992). Having realised the benefits of foreign direct investment, there has been a firm commitment to maintain open economic policies and to further strengthen the market friendly economic policy framework that existed since 1977 (Central Bank of Sri Lanka 1998). Therefore, successive governments have adopted open economic policies that have been designed to improve economic growth and industrialisation through foreign direct investment. With high unemployment and insufficient indigenous capital, the attraction of foreign investment become the critical priority. In response to several factors such as increasing global competition, lower labour cost in Sri Lanka and inducements from the Sri Lankan government, the number of international businesses coming into Sri Lanka has been increasing since 1977.

In the mean time, steady support from Asian Development Bank in financing public infrastructure projects and the establishment of numerous industrial parks and zones have significantly affected the increase in foreign investments in Sri Lanka and also the performance of the industrial sector (Business source premier, Online). Thus, foreign investment in the industrial sector has been increasing since 1977. Further, foreign

private investment has become a major foreign source of funds for the industrial sector, in addition to the lending by development finance institutions (Central Bank of Sri Lanka 1998). Mainly due to the foreign investments, the manufacturing sector has become a growth oriented sector by increasing its share in the overall production, total employment and export earnings of the country (Central Bank of Sri Lanka, 1998).

With the introduction of open economic policies, new investment opportunities have been created in manufacturing, trade and commerce, services, and the construction industry. Thus, sectoral composition of the GDP has also undergone significant changes. Meanwhile, the manufacturing and export structures have become diversified with new export items, such as clothing, successfully entering into international markets (Central Bank of Sri Lanka, 1998). Sri Lanka first began to promote the clothing manufacturing industry as an import substitution industry, during 1960s. However, the period after the late 1970s saw a rapid expansion in the export-oriented clothing manufacturing industry in Sri Lanka. As described in detail in chapter 6, the impressive growth witnessed in export-oriented clothing manufacturing industry during this period can be attributed to two major factors. The first is the market-oriented liberal economic policies introduced in 1977 (Karunatilake 1999). The second factor is the Multi Fibre Agreement (MFA) that granted export quotas to developing countries like Sri Lanka, by guaranteeing export markets (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001; Waidyanatha 1999).

A significant feature of the international clothing manufacturing industry after the introduction of MFA is "quota hopping" foreign investments, i.e., relocation of production facilities into the quota available developing countries. As explained in detail in chapter 6, Sri Lanka is one of the countries that benefited from the "quota hopping" investments, with the introduction of market-oriented liberal economic policies in 1977. Given the easy separability of the clothing manufacturing industry into different stages, overseas producers have been able to disintegrate their production lines into low production cost countries, such as Sri Lanka, without much difficulty. Hence, the overseas manufacturers of clothing from both East Asia (Hong Kong, Taiwan, South Korea and Singapore) and Europe have relocated their production facilities to Sri Lanka. While the East Asian firms have moved their operations mainly as a means of "quota hopping", European producers, such as Germany and the UK have moved their operations due to rising production costs in their home countries (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001; Waidyanatha 1999). In the circumstances, investment by East Asian and European manufacturers fuelled the growth of the Sri Lankan export-oriented clothing manufacturing industry. At present, apart from the local companies, several export-oriented clothing manufacturing companies have been set up in Sri Lanka as wholly foreign owned companies (also referred to as "foreign" throughout the thesis) and as

foreign and local joint ventures (also referred to as "collaborated" throughout the thesis). For instance, in 1979, there were total 9 export-oriented clothing manufacturing companies with foreign investment of Sri Lankan Rupees Million 68.0 and local investment of Sri Lankan Rupees Million 58.3. By 1989, a decade latter, there were total 43 export-oriented clothing manufacturing companies with foreign investment of Sri Lankan Rupees Million 2372.8 and local investment of Sri Lankan Rupees Million 1111.8. Two decades latter, by October 2000, there was total 207 export-oriented clothing manufacturing companies with foreign investment of Sri Lankan Rupees Million 12126.4 and local investment of Sri Lankan Rupees Million 11054.5 (please see table 1 in Appendix 1 for details) (BOI, 2000a). The above figures show how foreign investment has increased over time.

As explained in detail in chapter 6, the export-oriented clothing manufacturing industry has become the leading manufacturing and export industry in Sri Lanka by 1990s. It has emerged to the position of the country's main export earner and the largest single employment provider in the industrial sector. In fact, companies set up as foreign and local joint ventures and wholly foreign owned companies account for almost more than one third of the output of the Sri Lankan export-oriented clothing manufacturing industry (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001, Athwela, 2001). Hence, policy makers of today have placed heavy emphasis on the export-oriented clothing manufacturing industry as a means of promoting employment and generating foreign exchange earnings and as the main contributor to the overall economic development.

Apart from the contribution made by joint venture and wholly foreign owned companies to the economic growth of the country, they have brought into Sri Lanka not only "hardware" such as modern plants and equipment, but also "software" including advanced management expertise and HRM systems and practices. It is observed that with the establishment of a considerable number of wholly foreign owned companies and Joint venture companies, new systems of labour relations and work ethics have been "imported" which were alien to the indigenous industrial set up of the country (Tennekoon Online). Further, Gunawardana (1999) suggests that attitudes to HRD are somewhat different in these foreign clothing manufacturing companies; they have started to develop human resource having identified HRD as a key to improvements in the industry.

According to literature there are number of different and equally successful ways of organising management in the market economy (Chen, 1995; Whitley 1994). Further based on literature, when companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures, which are reflected in their specific management structures, decision-making processes, etc (Sparrow et al,

2000). In consequence, these companies may have an impact on changes in HR practices in Sri Lankan enterprises, where foreign owned and collaborated companies have brought into Sri Lanka not only substantial amount of investment with advanced technology and updated products, but also sophisticated management systems and expertise. Therefore, as Ding et al (2000) revealed in the Chinese context, one can expect significant differences in HR practices across the export-oriented clothing manufacturing companies of different ownership.

Further, it is documented in literature that host country business partners can learn from their joint venture partners, and may have access to knowledge that would not have been available in the absence of collaboration. Further, this knowledge transfer has primarily occurred in the areas of manufacturing processes and HRM (Schuler 2001; Inkpen and Dinur 1998; Liu and Vince 1999). On the other hand, there are also situations where management practices found to be effective in the country of origin may not always be effective elsewhere. In such circumstances, joint venture companies have deliberately sought not to impose their way of doing things, but rather to evolve, in consultation with the locals, a system which actually works (Pang and Oliver 1988; Gleave and Oliver 1993; Griffith et al 2001). Hence, learning in joint venture companies can be a two-way process rather than a one-way process: it involves learning and change from both partners rather than one partner imposing "knowledge" to the other. This makes it possible for joint venture companies not only to adapt, but also to transform through mutual learning. In consequence, local companies might also have the influence of the entrance of global enterprises in applying somewhat foreign concepts and practices in the HRD process over time. Hence, joint venture and wholly foreign owned companies eventually work as the agents of transferring their management practices and modifying the existing local management practices. In the Sri Lankan context, international businesses operate in the export-oriented clothing manufacturing industry as wholly foreign owned and foreign and local joint ventures. Hence, today, Sri Lankan export-oriented clothing manufacturing companies may have different MD practices across companies of different ownership. Therefore, it is important to understand variations in MD practices, which may vary across companies of different ownership.

Within the above context, in this research, the MD situation of the Sri Lankan export-oriented clothing manufacturing industry is studied based on the assumption that international businesses have brought in their practices of management. Therefore, *to guide this study five specific research questions have been raised.*

The *first question* is based on whether Sri Lankan export-oriented clothing manufacturing companies follow a systematic approach in developing their managers. This study attempts to understand whether planned MD in the Sri Lankan export-oriented clothing

manufacturing industry is based on a clear view of the business directions. It also attempts to understand whether companies give encouragement, guidance and opportunities for MD considering it as a process of long-term investment to ensure a steady supply of future senior managers by providing right programmes for the right people under the right conditions. Therefore, as explained in chapter 2, in the study, MD is viewed as an interdependent and interrelated phases, where each phase of the total process is a sub-process to the entire process. Further, it is believed that this view stresses a concern for the total system rather than for the objectives of any single component. As described in detail in chapter 2, though one can identify disadvantages of this approach, the researcher feels that this is an ongoing, flexible and results oriented approach that help organisations to link MD objectives with present and future organisational problems and strategies. Therefore, in this study, research questions are raised in the light of the systematic approach to MD as a blueprint or as a best practice to help to structure the research. Hence, in this context, the following question has been raised:

"To what extent do Sri Lankan export-oriented clothing manufacturing companies follow a systematic approach in developing their managers?"

The *second question* is based on whether foreign and collaborated companies have provided a platform for organisational learning, giving access to skills and capabilities of partners. It is documented in literature that when companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures. By considering the changes that have been occurred since 1977 in the ownership of export-oriented clothing manufacturing companies, it can be assumed that entrance of global enterprises into the country has an enormous influence on HRD practices. International businesses operate in the export-oriented clothing manufacturing industry as foreign and collaborated companies. Therefore, one can expect that there will be significant differences in HR practices across companies of different ownership-foreign, collaborated and local. Further, one can expect that international businesses are in a process of changing management systems and practices in Sri Lanka. Hence, in this context, the following question has been raised:

"To what extent have wholly foreign owned and collaborated (local and foreign joint venture) companies brought into Sri Lanka their practices of MD and how significant are the differences in MD practices across companies of different ownership?"

The *third question* is based on whether Sri Lankan export-oriented clothing manufacturing companies consider both formal and informal processes in providing MD. If the purpose of providing managers with development activities is mainly to assist in the attainment of

organisational objectives, then what has to be learnt can not be left purely to chance. According to Thomson et al (1998), a good deal of dissatisfaction remains with the state of MD research revolving around lack of detailed information about the processes by which development takes place in organisations. Further, according to Woodall (2000), future research requires to re-examine recent evidence claiming an increase in MD activity and a growing use of workplace activities to help managers learn. Therefore, this study attempts to provide information on whether MD has been seen as an integral part of the personal growth. Thus, the study will be able to provide a great deal of information about the process by which development takes place in organisations by considering both formal and informal approaches to MD. Hence, in this context, the following question has been raised:

"To what extent do Sri Lankan export-oriented clothing manufacturing companies use both formal and informal development processes in providing MD?"

The *fourth question* is based on the top management support for MD. Though the first responsibility for the performance of any job belongs to the individual him/herself, Marsick and Watkins (1997) argue "if organisations wish to encourage learning, then individuals need support for development, support for maintaining openness towards new experiences and perspectives, support for disciplined reflection, and support for translating learning into practice". Hence, this study attempts to understand the nature of top management support for MD in developing an environment conducive to learning. Hence, in this context, the following question has been raised:

"To what extent do top management in Sri Lankan export-oriented clothing manufacturing companies support the MD effort?"

The *final research* question is based on the importance given to the HR function in the organisational strategy process, and the role played by HR managers in the strategy process. The skills and experience required to perform managerial tasks influence the kind of development managers' look for. Hence, there should be strong linkages between all facets of MD and the strategic planning process by communicating more consistently a better-defined and planned policy and system for MD. Hence, this study attempts to understand importance given to the HR function in the organisational strategy process and role played by HR managers in the strategy process. This will shade light on the extent to which companies adopt a wider perspective of MD as an integral part of the organisation's overall system. Hence, in this context, the following question has been raised:

"To what extent do Sri Lankan export-oriented clothing manufacturing companies give important place to the HR function in the organisational strategy process?"

1.3. Significance of the study

Apart from purpose and objectives mentioned earlier, this study has considerable significance in both theory and practice.

First, this research provides specific information on differences in MD practices across companies of different ownership. In international literature on transfer of management practices, a considerable emphasis has been given by researchers to study transfer of Asian manufacturing methods and techniques and their impact on Western countries (Cunningham et al 1996; Humphrey 1995; Kennly, and Florida 1995). However, in widening a firm's strategic focus beyond the confines of its national boundaries, the human element becomes paramount (Bournois and Metcalfe 1991). Effective management is vital for national and organisational success (Farmer and Richman 1964, as cited in IRIC/ECG report, 1994; Hendry 1995; Templer et al 1997). The quality of management is the decisive factor for the continued innovations and creation in all facets of the organisation, which is crucial in ensuring its survival and prosperity. This demands from management improved abilities in adapting to change and in identifying and solving problems. In addition, management activities have increasingly been globalising (Ishizaka 1996). Though attention has been devoted to international comparisons of production systems and management strategies for many years, the comparison of HRM systems has until recently been overlooked (Sparrow et al 2000). Therefore, in the global arena, importance of the issue has been increasing. On the other hand, though there are studies on transfer of knowledge, the main emphasis has been placed on how organisations involved in alliances can use their alliance experience as the basis for managing and creating knowledge, and on knowledge management process in creating and establishing joint ventures (Inkpen and Dinur 1998; Liu and Vince 1999; Inkpen and Beamish 1997; Griffith et al 2001). However, lack of attention has been paid to understand differences in HRD practices and to the transfer of HRD practices with foreign investments. Therefore, as an empirical study, this research compares MD practices across companies of different ownership- foreign, collaborated and local. Thus, it is expected that this study will be able to provide valuable information on differences in MD practices across companies of different ownership.

Second, this research adds knowledge to an already existing body of knowledge on international MD practices. Several researchers emphasise the need of developing frameworks in MD field for the development of theoretical knowledge. Noon (1993 as cited in Thomson et al 1998) said, "until research is conducted that tests specific hypotheses arising from the ideas, they remain helpful 'maps' rather than rigorous models". Therefore, this study provides a solution to the empirical problem of the absence of coherent and exploratory frameworks for testing hypothesis by successfully

integrating several dimensions of MD under scrutiny. As explained in detail in chapter 7, the study tests hypotheses relating to the objectives based on a framework of ownership of the companies that allows comparison of MD practices across collaborated, foreign and local companies. Hence, it is expected that this study will be able to make a contribution to the knowledge by adding strength to an already existing body of knowledge on international HRM practices under export-led industrialisation strategy.

Third, this research takes a balanced view of MD that embraces informal and accidental as well as formal processes. There has been lack of attention given to empirical studies in the field of HRD, including MD, and according to writers there continue to be a need for empirical studies in this field (Al-Khayyat and Elgmal 1997). As mentioned earlier, this study takes a balanced view of MD that embraces both informal and formal processes. Therefore, this study is significant as it tries to close the gap between the theoretician and practitioner that is normally found in any field of knowledge by providing one of the few specialised studies in the area of MD.

Fourth, in the Sri Lankan context, this research makes a contribution to the knowledge in several ways. In the Sri Lankan context, literature available either on the HR function on the whole or its subsystems, such as HRD, is rare. Therefore, it is important to make an attempt to discuss the nature of MD activities with a balanced view of MD that embraces informal and formal processes. Further, as observed by researchers, irrespective of encouraging signs of growing investment on and incidents of MD (Larson, 1994; Storey et al, 1997; and Raper et al, 1997), its role as a strategic HR intervention in Sri Lanka remains dubious due to lack of studies. Therefore, this study will be able to fill the gap by providing exploratory study on MD in the light of the ownership of the companies with a strategic perspective. Furthermore, since 1977, though the governments of Sri Lanka understood the value of foreign and joint venture investments to promote employment, generate foreign exchange earnings, and acquire capital and advance technology for industrialisation, the researcher believes that foreign investors have also transferred their HR practices to Sri Lankan enterprises. Therefore, this study analyses that view. In addition, though employee development in the export-oriented clothing manufacturing industry has been an area of interest for writers, in Sri Lanka, the available only study is focused on the operational category of employees (TT&SC, 1999). Therefore, it is expected that this study will be able to fill this gap. Finally, as an exploratory study, this will be able to provide a useful framework for further research in the area of MD, in Sri Lanka.

1.4. Chapter outline

The thesis consists of 11 chapters that comprise of literature review, analysis and discussion of data and conclusions.

Chapters 2, 3, and 4 set out to draw available literature to refine a conceptual and theoretical base for the study. Hence, the main rational for these three chapters is to identify the research proposition for investigation from literature.

As the study takes the stand that MD should be looked at with an HRD eye, chapter 2 presents literature on MD in relation to the HRD view. Therefore, this chapter presents literature on integrated approach to MD taking judicious use of both informal and formal methods of MD. Further, the applicability of systematic approach to MD is dealt with in this chapter as researcher has decided to discuss MD effort in relation to the systematic approach as a blue print to structure the research.

Chapter 3 presents literature on the importance of the HR function in the organisational strategy process and the importance of top management support for MD. Here, literature is presented based on the view that organisations have to adopt a wider perspective and accept HRD as an important part of an organisation. Further, literature is presented based on the view that HRD is a process of long-term investment and top management have to provide encouragement, guidance and opportunities for development.

Chapter 4 reviews literature on the importance of learning in international business and transfer of management practices. Literature suggests that learning is a central process in international business and they provide a platform for organisational learning, giving access to skills and capabilities of partners. Further, it is documented that when companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures. In the Sri Lankan context, international businesses operate in the export-oriented clothing manufacturing industry as wholly foreign owned and collaborated companies. Therefore, one can expect that there are significant differences in HR practices across companies of different ownership and these international businesses are in a process of changing management systems and practices in Sri Lanka. Therefore, this chapter reviews literature on the transfer of management practices and implications for MD.

Chapter 5 presents Sri Lankan literature on two aspects. First, the main attention is given to discuss organisational level HRD activities in Sri Lanka. Second, an attempt is made to look into the importance given to the HR function in the organisational strategy process and the nature of top management support for HRD.

Chapter 6 presents literature on the export-oriented clothing manufacturing industry. The main attention of this chapter is given to discuss the contribution made by the industry to the economy, the institutional framework and ownership of the companies, the main features of the industry, and the HRD situation of the industry.

Chapter 7 presents framework and design of the study. In the framework of the study, the research proposition is presented in the light of the literature reviewed. This framework is used constantly to direct the analysis, to discuss findings and finally to present conclusions of the study. Apart from the framework of the study, the designing aspects of the study such as population and sample, methods of data collection, data analysing techniques are also presented.

Chapter 8 presents characteristics of the samples based on the data collected using self-administered questionnaires. Therefore, characteristics of the HR managers' sample and the managers' sample are presented.

Chapter 9 and 10 present the data collected in relation to the research questions and the framework of the study. At the same time, the hypotheses raised in chapter 7 are tested and results are presented and discussed.

Finally, chapter 11 presents conclusions followed by the contribution of the study, recommendations and further research areas.

JOHN RYLANDS
UNIVERSITY
LEICESTER
LEICESTER

Chapter 2:

Literature Review: Human Resource Development Perspective and Management Development

2.1. Introduction

This chapter is devoted to the discussion of the literature relating to management development (MD) in the light of the human resource development (HRD) perspective. Therefore the first section (2.2) presents and discusses the literature on the HRD perspective. The second section (2.3) is devoted to present and discuss literature on the integrated approach to MD, which make judicious use of both informal and formal methods. In this section, an emphasis is also made to look into the application of different MD methods by countries from different parts of the world. As this research addresses differences in MD practices across companies of different ownership, the review of literature on the application of MD methods by companies from different parts of the world can reveal vital information. Finally, the section 2.4, is devoted to present and discuss literature on MD in the light of the systematic approach to MD because in the research MD effort is considered as a process as a blue print or as a best practice to help to structure the research. Therefore, in this section both informal and formal development methods are presented in relation to the systematic approach to MD.

2.2. Human Resource Development Perspective

The term human resource development (HRD), is concerned with the recruitment and retention of high quality people who are best fulfil an organisation's objectives, defining and measuring the levels of performance and providing continuous opportunities for development. Hence, it is about development and change through learning giving emphasis on how, what and where individuals learn. Although notions of lifelong learning and continuous personal development are very current and pertinent, HRD in organisations is not concerned with how individuals learn from cradle to grave (Walton 1999). The focus is on skills, knowledge and abilities that people need in order to operate and co-operate effectively in the organisational context. Hence, the term HRD, in the organisational context, is used to describe an integrated and holistic approach to facilitate, guide and co-ordinate work-related learning, using a range of learning techniques and strategies (Megginson et al 1993).

Human resource development activities imply change at an individual, workgroup or organisational level by creating a general climate of learning in an organisation. However, HRD is much more individualistic in conception; focus is on individual learning needs and individual aspirations in accordance with organisational goals. In its purest form, it is neutral as to where skills/abilities are demonstrated as long as learning has taken place.

On the other hand, HRD is also considered in the organisational context. According to Swanson and Arnold (1997, as cited in Walton 1999) HRD, in the organisational context, has no meaning unless a connection is made to performance. In this context, HRD practitioners need to demonstrate that their activities provide benefits to the organisation in which they are employed in (Walton 1999).

In the past, it was assumed that a high percentage of employees would stay with a given employer, where there would be careers for some and job security for others. Commitment was associated with lifelong loyalty to "the firm". However, in today's world, individuals can expect more than one career shift in their lifetime as old psychological employment contract based on "trust" is breaking down and the new "knowledge workers", whose skills are at a premium, will want guarantees of future employability wherever that might be. Therefore, the new challenge is to generate commitment for the duration of an individual's stay by offering opportunities to acquire transferable skills. Such organisational attempts maximise the contribution from employees to the company and, on the other, enables them to maximise their own personal development (Bagshaw 1996). Hence, the cycle between individual and corporate interest is squared by a new relationship. Organisations are committed to the development of individuals. In return, individuals plough back what they have learned into the organisations. This continues for as long as the contact lasts. Permanence has gone. A new kind of benefit, mutual growth and development has taken its place.

The core-linked themes of the HRD perspective are trends towards individuals taking responsibility for their own learning and the notion of a career for life within the same organisation is not a realistic assumption. In the circumstances, it is much more likely that managers have given considerable emphasis in managing one's own learning, in identifying their own learning requirements and in finding ways of meeting those. They can advance at their own pace and learn in their own time and manner. They may be parts of a learning set, who meet regularly to review progress and offer encouragement and triggers to learning, and possibly solutions to learning blocks (Megginson et al 1993). There is an emphasis on various approaches to non-classroom-based interventions such as, self-directed and experiential learning (Walton 1999). Therefore, individuals have to prepare to take responsibility for their own development. They are the people best placed to analyse and assess their past experience, and to define their own priorities and future career goals. Self-development starts with self-awareness and requires sufficient self-knowledge to diagnose what has to be developed, and must be seen as a continuous process. Then an individual will be in a much better position to identify and take the advantage of development opportunities as they arise (Cunningham 1999).

Many people do not find it particularly helpful to have a highly structured approach for their development. They find constructing a learning contract and take responsibility for their own learning appealing (Megginson et al 1993). The idea that knowledge to perform routine tasks is acquired through experience is particularly relevant. Also relevant is the notion that tacit skills encompass the ability to deal with unexpected or unusual situations for which there are no prior frames of reference and emphasises upon co-operativeness and good interpersonal skills (Hendry et al 1991 as cited in Walton 1999). However some people find it hard to learn from experience that they have had (Megginson et al 1993). Despite the acquisition of "tacit skills" being an important source of learning, there is a risk that accidental learning can be seen as a substitute for other forms of knowledge and skills acquisition. Hence, it would be inappropriate to think of it as the only intentional HRD strategy. Therefore, development have to be considered as any process, formal or informal, by which employees acquire knowledge and skills relevant to their performance at work. These may be initiated by the employer or employee; may take place on or off the job; may or may not lead to a qualification; be self-directed or directed by another (Curran et al 1996 as cited in Walton 1999). The continuous development continuum by Watkins and Marsick (1993) provide instances of such informal and accidental, and formal HRD processes (please see section 2.3 for the continuous development continuum).

In the next section, the strategic HRD perspective is looked into.

Strategic human resource development perspective

The emerging concept of strategic human resource development (SHRD) is an extension of HRD. It puts particular emphasis on the development of comprehensive, co-ordinated and dynamic approaches for major learning initiatives within and outside an organisation in order to facilitate the achievement of corporate objectives in a competitive environment (Walton 1999). It is based on the supposition that learning must be treated by organisational policy makers as a deliberate business process rather than an "accident" (Mayo and Lank, 1994 as cited in Walton 1999). Human resource development may take place in any organisation irrespective of whether there is any deliberate intention to facilitate it. This is because individuals learn by virtue of experience they undergo. However, one of the challenges of SHRD is to incorporate accidental learning processes into its purview. According to researchers, much effort has been made recently of the tacit knowledge that emanates from such accidental learning (Nonaka and Takeuchi, 1995). However, for it to begin to be considered "strategic", there needs to be some conscious endeavour within an organisation to translate these accidental learning experiences into an explicit experiential learning philosophy and framework that contribute to meet present and future knowledge and skills requirements (Walton 1999).

Further, for an HRD strategy to become "strategic" it has to be undertaken with full strategic intent, with an understanding of how the initiative being undertaken adds to the coherence of the SHRD effort, congruent with an explicit learning philosophy incorporated into the overall organisational mission (Walton 1999). Strategic learning starts with strategic imperatives- the direction organisation is taking, its purpose, and its strategic goals. In designing MD programmes, it should be clear that the links between them and the strategic direction of the business had to be made explicit. The self-managed learning approach addresses this issue. For instance, it demands that managers manage their own learning. They negotiate their own objectives, decide how to achieve them, how to measure them and how to integrate their learning with organisational learning (Cunningham 1999).

However, strategic learning means involving everyone in an organisation in appropriate learning. Strategic learning does not stop with managers, but it usually needs to start there. Hence, the self-managed learning approach needs to cascade down the organisation, involving other staff. To make HRD successful, strategically, everybody in the organisation should learn; there should be a strong commitment to maximise everyone's potential, assuming that everyone has potential to improve. A wide range of learning approaches should be made available- secondments, projects, study visits, packaged learning resources, and so on. All managers act as mentors/coaches to their staff, and take the role seriously. An integrated approach should be used, and off-the-job learning should be planned to integrate with job needs. Finally, the contribution that such a learning bring into an organisation has to be identified (Cunningham 1999). This makes each piece of the development effort a part of the organisation's development, with each participant receiving what they need and in the way in which they need it. Ultimately, HRD is truly relevant and be driven by the organisation's strategy (Megginson et al 1993).

Further, successful SHRD depends on the existence of a favourable learning climate. According to Honey and Mumford (1989) a favourable climate exists when individuals receive a regular review of performance and learning, they receive timely feedback on both performance and achieved learning, and they are encouraged to identify their own learning needs (as in Walton 1999). Further, according to Twigg and Albon (1992 as cited in Walton 1999) a proper organisational climate recognises that active learning starts from the top, senior managers embrace an open active approach rather than portraying HRD as an expensive "treatment", and business and HRD managers are operating in partnership. Hence, there should be an organisation-wide commitment and support that are demonstrated by top-level involvement in learning; the development of a set of advisors and mentors as a starting point for widespread development of organisational capability to support and foster learning (Cunningham 1999).

Many organisations have attempted to meet HRD needs by establishing specialised and centralised sections or departments. These have, over time, become institutionalised; some have been in existence for many years and have acquired their own routines, traditions and procedures. The institutionalisation of the HRD function has undoubtedly had some beneficial effects, particularly in the development of a more rational and co-ordinated approach to the HRD effort. Yet too many HRD departments have to acquire the respect and recognition of other organisational departments. However, there are some organisations that maintain a generalistic HRM function with a relatively few staff, where HRD is a shared responsibility or seen as the major part of one person's job- the single HR officer is the only tangible expression of a centralised function. In such organisations, the development function is one of many competing demands on a very limited resource base with obvious implications for the contribution that can make to HRD. Hence, explanations for the actual status and perceived effectiveness of specific HRD departments have to be sought within their own organisations (Megginson et al 1993).

The challenge for HRD practitioners is to make the jump to seeing themselves as responsible for something more than designing and delivering development programmes, and not as passive providers and guardians of systems and processes that others have devised. Therefore, some key issues that have been raised and that deserve consideration when attempting to manage HRD include the importance of integrating HRD activities within a wider HRM framework and realising that effective HRD requires the same kind of professional management and commitment that would be expected from any other management function (Megginson et al 1993).

In summary, the term HRD, in the organisational context, is used to describe an integrated and holistic approach to facilitate, guide and co-ordinate work-related learning, using a range of learning techniques and strategies. In the HRD view, considerable emphasis has been given in managing one's own learning and in identifying their own learning requirements and in finding ways of meeting those. However, HRD, in the organisational context, has no meaning unless a connection is made to performance. The basic purpose of HRD is to contribute directly to the organisation's goals by improving performance. Hence, for it to be considered "strategic", there needs to be some conscious endeavour within an organisation to translate accidental learning experience into an explicit experiential learning philosophy and framework that will contribute to meet present and future knowledge and skills requirements. Increasingly, HRD is assuming more influential role in the strategy formulation and is becoming one of the key determinants of business strategy. In facilitating HRD, literature suggests emerging partnership between HRD professionals and key players - employees, senior managers and line managers.

Management development in organisations is looked into in the following section in the light of the HRD perspective.

2.3. Management Development

In developing managers both informal and formal development processes have to be utilised (Mumford 1997; Marsick and Watkins 1997; Mole 2000; Nicholson and West, 1988; Armstrong 1999; Burgoyne, 1988). Hence, in reviewing literature on MD, both informal and accidental as well as formal processes are dealt with.


Formal MD processes include institutionally sponsored, planned and deliberate processes. Thus, formal processes are often monitored and controlled by people and forces other than the individual manager involved (Marsick and Watkins 1997, Mumford 1997). Those formal development methods are discussed in detail later in this section.

Informal MD processes, on the other hand, are by-products of organisational activities, such as task accomplishment or interpersonal interaction, and managers may not set out intentionally and explicitly to learn something through pre-planned means (Marsick and Watkins 1997; Mumford 1997).

It has often been said that managers learn to manage by managing - through experience. Experience is the process of engaging in an act or situation, and experience is considered by some management writers and practitioners to be indeed the best teacher (Doyle and Young, 2000). Researchers have suggested that learning is most likely to result from experiences, which is relevant and significant to the individual (Doyle and Young, 2000). Thus, informal development usually occurs during the course of managers' everyday work. For instance, managers learn while carrying out responsibilities of the job, projects, presentations, committee meetings and business visits; managers learn every time when they confront with an unusual problem, an unfamiliar task or a move to a different job (Mumford 1997; Armstrong 1999). Further, early job challenges, early board responsibilities, early leadership opportunities, and task force and staff assignments can also have developmental significance (McCall 1996). Thus, these informal development incidents are by-products of some other activities, such as task accomplishment, interpersonal interaction, sensing the organisational culture, trial-and-error experimentation or even interactions managers have with their superiors, subordinates, peers and customers (Woodall, 2000).

As shown below, Watkins and Marsick (1993 as cited in Walton 1999) provide a continuous development continuum showing how development activities gradually move from more informal (less formal) to more formal.

More informal

- 
- Unanticipated experiences and encounters at work or in one's personal life that result in learning as an incidental or "accidental" by-product and that may not be consciously recognised or acknowledged
 - New job assignments and participation in teams, or other job-related challenges that contribute to learning and self-development
 - Self-initiated and self-planned experiences including seeking a tutor, coach or mentor or attending conferences, etc.
 - Participation in total quality groups or other vehicles designed to promote continuous learning.
 - Planning of a framework for learning, often associated with staff appraisal, development plans, etc.
 - Combination of structural opportunities with less organised experiences. For example, by means of action learning sets.
 - Structural mentoring and/or coaching, or on-the-job development activities
 - Formal extensive development programmes
 - Formal qualification programmes

More formal

(Watkins and Marsick 1993 as cited in Walton 1999, p331)

However, most of the informal incidences occur due to organisational decisions that are made wholly or largely in order to meet organisational objectives and may have nothing to do with the development of the individual. Because of this, these situations are not actually designed for development purposes but also they are essentially ad hoc, informal and accidental. On the other hand, the effective use of learning opportunities depends on the conscious attempt to improve the design of the opportunities on the one hand, and the understanding of the learner about learning processes on the other (Mumford 1997). Hence, if managers know about the advantages of retrospective learning and the possibilities of linking them to prospective learning, unintentional learning can be a basis for further intentional learning (Marsick and Watkins 1997; Mumford 1997). On the other hand, meeting organisational challenges leave little choice but to absorb, unconsciously and by some process of osmosis, lessons from their experience and develop new abilities. In this respect, development come from inside, from individuals who desire to succeed. Therefore, development is not something that could be done to or for someone. Development is something people do for themselves. But, as mentioned earlier, managers differ in their preferred approach to learning. Some managers may enjoy learning from experience whereas others may not.

Therefore, informal learning has to be deliberately encouraged by an organisation (Woodall, 2000). Organisations can provide kinds of challenges that will provide managers opportunities to develop new skills/abilities. Therefore, the developmental potential of work experience is driven by challenges it presents: exposure to a different

function, product, or division. While exposure can be useful, even enriching, what matters is what one is doing while being exposed. Marsick and Watkins (1997) argue that if organisations wish to encourage informal learning, then individuals need support in maintaining openness towards new experiences and perspectives, support in disciplined reflection, and support in translating the learning into practice. For them the key tools to facilitate informal learning are planning for learning, creating mechanisms for learning in teams and developing an environment conducive to learning.

When considering the research findings on the application of informal development incidences for MD, little information on the nature and the extent of informal development incidences have been revealed (Smith and Hayton, 1999; Clarke and Metalina 2000; McDaniel and Schermerhorn 1999). However, based on limited literature, following instances of informal development can be presented.

In Australia, it has been reported that enterprises appeared to value informal incidences. They realise that informal incidences have advantages of focusing on workplace issues and priorities at relatively low cost (Smith and Hayton 1999). McDaniel and Schermerhorn (1999) state another less formal type of MD activity that had recently begun to emerge in the form of "Young Businessmen" clubs, which springing up at district levels, in Vietnam. In these organisations, members meet on a regular basis for the purposes of mutual assistance and professional development. In the Japanese workplace, more emphasis is given to experience gained on-the-job. In Japanese organisations, where the traditional seniority-based promotion system predominated, it was rare for a person with a MBA to be appointed, soon after his/her return, to a post where the business judgement ability is called for. (Kagano 1996). Hence, in Japan, formal MD programmes were typically not seen as the main route to develop Japanese managers (Storey et al 1997). However, in Britain, it is reported that for most Board level executives, unplanned development processes were the most significant, and yet the most unrecognised of experience that aided their development (Mumford et al 1987).

However, many researchers emphasise that informal and accidental development opportunities, alone, are insufficient; formal processes are needed, vis-à-vis (Mumford 1997; Mumford et al 1987; Mole 2000; Nicholson and West, 1988; Armstrong 1999; Burgoyne, 1988). According to Mumford et al (1987):

"Simple reliance on opportunities to learn from experience was not claimed to be the best answer to MD by our respondents. Most of them recognised gaps in their experience, and commented on the extent to which the opportunities could have been better recognised or the processes better managed by their bosses"

(Mumford et al 1987, p 17)

Further, several researchers support the claim that the use of formal development activities to help managers to learn has been increasing (Woodall, 2000).

When considered separate, both informal and formal MD processes have their own pros and cons. Hence, there are some deficiencies in the total reliance on a single process - formal or informal. Therefore, a balanced view of MD should include the total process, which embraces the informal and accidental as well as formal processes. For example, Mumford et al (1987) describe this situation as:

"Formal MD processes are important but by definition, in the managerial world, insufficient. They are often inefficiently provided. Informal processes are both insufficient and inefficient, because managers have often lacked the skills to make the most of them as learning experiences"

(Mumford et al 1987, p 38)

Further, they state

"It is not our view that formal MD is necessarily better than processes of learning on-the-job. Nor is it our view that simply because learning on-the-job is, in a sense, both natural and inevitable that it should be relied on to the exclusion of formal interventions".

(Mumford et al 1987, p 17)

Therefore, the separation of formal MD from informal processes literally takes MD away from the reality of managerial work. Thus, the integrated approach to MD should make judicious use of the both approaches and should be integrated in terms of time, mental application and even physical circumstances to normal managerial activities (Mumford 1997; Armstrong, 1999).

In the following sections the nature of formal development methods are looked into in the light of the nature of informal development incidences that have been presented.

When **formal MD processes** are considered, these are institutionally sponsored, planned and deliberate processes, which are often monitored and controlled by people and forces other than the individual manager involved (Marsick and Watkins 1997, Mumford 1997). Several researchers have identified similar methods, such as, coaching, mentoring, action learning groups, project assignments, job rotation, self-development, as the constituents of formal methods of MD that attempt at improving managerial effectiveness through "planned and deliberate learning processes" (Armstrong 1999; Storey 1994; Peel 1984; Mole 2000; Woodall, 2000; Mumford et al 1987, Mumford 1997).

Though there are varieties of MD methods that can be used, none of the methods are superior to others (Mamoria 1998; Wills 1998a). At the same time, there are numerous criteria that can be used in order to choose between different development methods. However, it is argued that there is no single, simple criterion, which can be used to select a method. But it is nevertheless important to evaluate and use different methods rather than be wedded to a single one (Huczynski 1983).

A problem relating to formal development methods is, when it comes to classify them, researchers come up with several various categories (Armstrong 1999, 545; Storey 1994, p368 as cited in Henderson et al, 2000; Mumford et al 1987, p16). By considering the various categorisations of MD methods available, the researcher finds that Mumford et al's (1987) categorisation provides relatively definite categories. Therefore, in this research, it was decided to use the categorisation presented by Mumford et al (1987), in dealing with formal methods of MD. According to Mumford et al (1987, p16) formal methods can be categorised into four groups, namely:

- changes in jobs and job content (job redesign methods)
- development processes within the job (on-the-job methods)
- activities external to the job (off-the-job methods)
- development activities planned by the individual rather than by the organisation (self-development methods)

However, in this research, no attempt has been made using literature to define, describe and distinguish formal MD methods from one another, such as coaching, mentoring etc. There are two reasons for that. First, in this research, no attempt has been made to distinguish one formal development method from the other. Second, due to the constraint of the number of words that can be in the thesis, the researcher is compelled to reduce the number of words. However, after reviewing literature on formal MD methods, the researcher found that there are abundance of literature available on describing and distinguishing formal development methods by well reputed authors and researchers such as, Mumford et al (1987), Armstrong (1999), Huczynski (1983), etc.

Therefore, in the following sections, an attempt has been made to briefly present Mumford et al's (1987) categorisation of formal MD methods and to briefly present available literature on the application of these methods based on literature. However, the application of formal development methods in the Sri Lankan context is presented in chapter 5.

Changes in the job and job content (Job redesign methods):

According to Mumford (1997), formal MD does job redesign by identifying particular kinds of work that is available within and around the existing job. The formal development is properly effective when the job is actually fertilised, rather than treated as naturally fertile ground from which useful things grow. The fertilisation involves the construction of effective learning and development processes around the opportunities provided. According to Mumford (1997), examples for such opportunities are learning from job moves (such as job rotation, secondment, and promotion to a new job); allocating additional responsibilities or tasks; projects, committees, working parties and task forces; assignments.

When considering the application of job redesign methods in MD, it has been reported that MD activities largely occur through interventions based on job redesign methods (Storey et al 1997; Handy 1987; Arthur et al 1995; McDaniel and Schermerhorn 1999; Grzeda and Assogbavi 1999).

Job rotation is widely practised as a job redesign method of MD (Storey et al 1997; Handy 1987; Arthur et al 1995; Mumford et al 1987). Job rotation is a key element in formal on-the-job development activities in Japan (Storey et al 1997; Rohlen, 1974 and Yoshino, 1968, as cited in Storey et al 1997). Japanese companies regard job rotation as a vital method as it brings in tremendous advantages in terms of the development of competent generalists and of networking skills (Handy 1987). Further, Japanese companies also use extensive job rotation as a kind of horizontal promotion mechanism for potential "high flyers" – a horizontal fast track (Handy 1987). Although job rotation enhances knowledge of the organisation and expands one's networks over medium and long-term, a disadvantage is that experience managers can gain within one firm is limited. However, Japanese managers can and do obtain wide range of experience by being rotated to other companies in the group, including subsidiaries and subcontractors (Handy 1987). There is evidence that British organisations have also made successful use of job rotation in the sense of planned movement between functions, between countries or between products (Mumford et al 1987). However, the majority of job moves experienced by the recipients were relatively unplanned. Even in the organisations which claimed to engage in job moves, most of the directors were either not aware of, or not clearly been communicated about the operation of the planning process in their own individual case (Mumford et al 1987).

In mid 1980s, the direct process of helping managers to learn from projects was largely omitted from the formal scheme (Mumford et al 1987). Most managers were placed on projects outside their normal range of work activities during their managerial life, and on most occasions these appointments were made because the manager was the best suited from the task point of view, rather than as a specific development experience (Mumford et al 1987). However, Hendry (1996, as cited in Woodall, 2000) states that there was a greater preference to special projects as a MD method during mid 1990s.

Group or team work as a method of MD has been effective in Africa (Youker, 1987, as cited in Grzeda and Assogbavi 1999). It is stated that along with simulations (Srinivas, 1995) and along with the development of indigenous content effectiveness of teamwork undoubtedly enhance (Youker, 1987).

Overall, though each method has its own pros and cons as methods of formal, planned and deliberate processes of MD, job redesign can be used to provide development

opportunities by the means of job moves; the allocation of additional responsibilities or tasks; projects; Committees, working parties and task forces; assignments. Research evidence reveals that job redesign as a method of MD is practised within organisations.

"Development processes within the job", which is another formal development methods category, is explained in the following section.

Development processes within the job (on-the-job methods)

The development processes within the job is concerned with the ways in which learning can be assisted, as distinct from the previous method, job redesign, which reviewed opportunities. According to Mumford (1997), examples for development processes within the job include coaching, mentoring, counselling, monitoring and providing feedback by boss, and action learning.

With regard to the application of development processes within the job, there is evidence for the use of coaching, counselling, and action learning for MD (Handy 1987; Suzuki 1996; Grzeda and Assogbavi 1999; Mumford et al 1987; Thomson et al 1997).

Essentially, in Japan, on-the-job development methods comprise "someone who possesses knowledge teach to one who lacks that knowledge" (Handy 1987). In Japan, facilitator is not necessarily one's immediate superior. It could possibly be an "old hand" who has a wide range of knowledge, experience and reliable judgement as well as personal contacts that could be tapped to expand business opportunities (Handy 1987; Suzuki 1996). However, in a system where "fast track" promotion system does not exist, Japanese managers also see it as a part of their role to teach and develop subordinates. Managers, who pass on their knowledge are more secure, sensing that their "students" will seldom be promoted ahead of them, at least until very late in their careers, if at all (Handy 1987). Further, it is reported that Japanese companies have continually preferred systematic/structured on-the-job development and indicated that much more thought has been given into designing, implementing and evaluating the effectiveness of on-the-job development programmes by superiors/educators within the firm (Handy 1987).

It is reported that mentoring is widely used in Africa successfully, where each young manager would have one or several elders who would act as lifetime mentors, patrons, or role models. The elders would provide guidance and coaching, cultivate contracts for the younger, and help with the development of a career path of progressive challenge and responsibility (Youker, 1987 and Kiggundu, 1991, as cited in Grzeda and Assogbavi 1999).

It is reported that one of the most surprising features of MD in Britain was the absence of influence by the boss in both formal and informal terms. According to Mumford et al (1987) bosses apparently made much less contribution to formal processes such as coaching, counselling, or job assignments than MD literature would suggest. However, it is reported that from mid 1990s British management developers have been paying greater preference to coaches and mentors (Institute of Management, 1994; Thomson et al, 1997).

It is stated that the Japanese elaborate system of pre-consultation prior to formal decision making also proved to be an excellent development method within the job. These sessions provide experience for managers, and emphasise that consensus on problem definition rather than on solution is a more effective approach to management problems (Handy 1987).

Overall, development processes on-the-job represent an increasing trend towards helping the individual to take charge of his/her own learning. While these are effective techniques for improving job performance in the short term, they are most effective when they also take into account some of the long-term development needs of the individual. Hence, these interventions become most effective when they are part of a structured approach fully integrated into the organisation's process of developing people. Further, Japanese system of on-the-job development is exceptional to that of other nations. In Japan, on-the-job development methods are an integral part of daily organisational life and these are used extensively at all the levels of management.

"Activities external to the job", which is another formal development methods category, is explained in the following section.

Activities external to the job (off-the-job methods)

The underlying assumption of providing MD activities external to the job is that then managers will be able to concentrate entirely on learning rather than managing. Further, learning from real work situations unlikely to produce a manager fully capable of operating effectively in the modern world. Most importantly, managers cannot learn on-the-job anything that is not available within or around it. They cannot develop a skill if that skill is not actually employed. An even more pervasive problem is that managers cannot improve their level of skill if there is no one else around capable of demonstrating, coaching or facilitating it (Mumford 1997). Therefore, development activities external to the job have to be considered as complementary to development approaches mentioned earlier, i.e., job redesign and development activities within the job, rather than mutually exclusive. According to Mumford (1997), the main formal development activities external to the job include internal off-the-job development activities, external off-the-job

development activities, distance learning, reading books, interactive video, group discussions, etc that are organised by the company.

When considering the application of development activities external to the job, it is clear that there are tremendous efforts expended on development activities away from the workplace (Handy 1987; Grzeda and Assogbavi 1999; McDaniel and Schermerhorn 1999).

Though Japanese firms rely heavily on company specific on-the-job development activities, they also emphasize that on-the-job development methods alone are inadequate, and must be complemented by systematic and sustained development activities external to the job throughout the career of managers, at all the levels. Moreover, development activities off-the-job are increased as the higher one moves up the hierarchy (Handy 1987). With regard to the application of internal off-the-job development activities, in Japan, though lectures and addresses were the mostly used methods there was a large increase during mid 1990s in the group discussion methods, especially for the middle level. Further, there is increased emphasis on studying actual examples of problems. This tendency is again mostly apparent at the middle level (Handy 1987). Some large Japanese companies have established their own unique business schools, to develop managers for the parent company and for the group. In those schools, student managers undergo systematic and intensive MD techniques (Ishizaka 1996). Further, Japanese companies send managers to overseas seminars of 10 days' duration, which are held mainly in the USA (Storey et al 1997). In addition, younger managers with potential have been sent to prestigious postgraduate schools in America (Storey et al 1997). Further, in Japan correspondence courses have been so much popular (Handy 1987). Several management associations run correspondence courses of one kind or other, for which the companies provide financial support, fully or partially on the successful completion; Japanese companies promote the idea of correspondence courses among all the employees (Storey et al 1997). Furthermore, due to dramatic shifts experienced by the Japanese economy and its business sector, Japanese HRM shifted from lifelong employment to employability. This has prompted the government to provide vocational skills and MD, while companies to conduct in-company MD programmes. On the other hand, individuals had to consider more avenues for self-development (Okazaki-Ward and Amaya 1996). Therefore, in recent years, in Japan, there has been a phenomenal increase in the number of private specialist organisations and associations catering for external off-the-job development activities (Storey et al 1997; Kobayashi 1996 as cited in Okazaki-Ward and Amaya 1996).

In Britain, according to Henderson et al (2000), short courses or seminars on specific topics have been a prevalent method. Outdoor programmes and university degree

courses - undergraduate and postgraduate - did not feature as popular modes of MD. When the experiences of Board level Directors were taken into account, only a small minority of them had been exposed to a substantial number of internal courses, or to courses of significant length. The same comment applied largely to courses taken externally. In fact, they were taken by a minority. Further, attendance at business school programmes are either non-existent as an organisational phenomenon (Mumford et al 1987).

However, according to researchers, Asian countries prefer to use development activities external to the job than development activities on-the-job (Srinivas 1995; McDaniel and Schermerhorn 1999). According to Srinivas (1995, as cited in Grzeda and Assogbavi 1999) the popularity of development activities off-the-job among third world managers may be due to the reason that they are often more comfortable with lectures than discussions as they expect to learn primarily from the instructor's experience. In Vietnam, too, MD has primarily been based on formal lecture methods. As in Vietnamese education, MD has traditionally been more instructor-oriented and less learner-oriented (McDaniel and Schermerhorn 1999).

Many countries tend to use specialised commercial educational institutions, and as a consequence, a substantial number of development activities have been performed on out-house basis. (Okazaki-Ward and Amaya 1996; Clarke and Metalina 2000; Grzeda and Assogbavi 1999; Arthur et al 1995; McDaniel and Schermerhorn 1999). In Vietnam, the main types of organisations that provide MD services are universities and private commercial educational institutions (McDaniel and Schermerhorn 1999). Initially, the tendency appears somewhat tied to a preference for short-term courses. As the nation gains more experience, it is likely that the role of universities in the provision of MD programs will grow (Vietnam News, 1995, as cited in McDaniel and Schermerhorn 1999). Further, in China, the dominance of government in the provision of employee development activities can be identified as employee development has been seen nationally as a key to the country's development (Laaksonen, 1988; Warner, 1991, as cited in Easterby-Smith et al 1995). Hence, in China, development activities have been provided through compulsory external courses for managers by the national network of cadre educational institutions and by the country's leading universities (Laaksonen, 1988; Warner, 1991, as cited in Easterby-Smith et al 1995).

However, according to Clarke and Metalina (2000), Russian private sector enterprises arrange development activities external to the job, on their own premises as enterprises find this method advantageous due to two reasons. First, these internal courses are less expensive comparative to commercially run courses. Second, there is less risk that managers, those who had been given development opportunities, leave as they can not

acquire certified and easily transferable skills (Clarke and Metalina 2000). In the New Zealand context, too, publicly run general courses are often considered very expensive and not very effective (von Hurst, 1994, as cited in Avery et al 1999).

Overall, by providing MD activities external to the job, it is assumed that managers may be able to concentrate entirely on learning rather than managing. Most of the Asian countries prefer to use development activities off-the-job than on-the-job development due to the reason that Asian managers are often more comfortable with lectures than other methods as they expect to learn primarily from the instructor's experience. On the other hand, though formal off-the-job development activities are typically not seen as the main route to develop Japanese managers, due to dramatic shifts experienced by the Japanese economy and its business sector, off-the-job programmes are becoming more popular.

"Development activities planned by the individual", which is another formal development methods category, is explained in the following section.

Development activities planned by the individual (self-development methods)

Some of the examples for development activities planned by the individual are modelling on boss, modelling on colleagues or outsiders, and reading. In these individually planned development activities, though a company can set a proper climate, the main effort must be made by the individuals themselves (Mumford 1997). Further, individuals must have the motivation and the capacity to learn and develop (Mumford 1997).

With regard to the application of development activities planned by the individual, in Japan, it has been running parallel with on-the-job development methods and has been increasingly emphasised at all management levels (Handy 1987; Storey et al 1997). Companies have supported self-development activities of individual managers by giving time-off work and financial help supplementary to all of high level of provision for on-the-job development (Storey et al (1997). Further, in many occasions Japanese companies have encouraged self-development by encouraging managers to take at least one correspondence course a year (Storey et al 1997). Further, Japanese managers favour learning from watching their bosses' behaviour. The Japanese tendency to favour open office plan for all workers up to middle management levels clearly allow potential managers to observe their superiors, especially when they work under stress. Those observations have been invaluable on-the-job development experiences for them (Storey et al 1997; Handy 1987). Furthermore, according to Handy (1987) and Storey et al (1997) perhaps the most important of all development activities planned by the individual managers is the habit of study and the pursuit of learning by reading. That had kept them constantly curious about the ways of life and questioning of their own.

In Britain, however, Mumford et al (1987) reports that the failure to secure the commitment of individual directors to their own development as the most significant weakness. However, Woodall (2000) found that most organisations made use of personal development plans as a follow-up mechanism to formal off-the-job development programmes or as a part of the competence-based approach. Yet there appeared to be little facilitation of personal development plans and few resources had been devoted to support guided reflection: scant use was made of learning logs and diaries, personal development planning workshops or development counselling (Woodall, 2000). Further, in the case of modelling, significantly very low responses were received for the instances of observing and modelling the organisational members (Mumford et al 1987).

Overall, though development activities planned by the individual may take different forms they all require individual to take the main responsibility for his/her learning.

In conclusion, With regard to formal development methods, in this research, the categorisation used by Mumford et al (1987) was used, as it provides relatively definite categories. Formal development methods have been categorised into four categories, i.e., job redesign, formal development interventions on-the-job, development activities off-the-job and development activities planned by the individual.

Research evidence reveals that job redesign methods of MD is practised within organisations. It is explicit that Japanese companies largely use these methods, and literature reveals that they are in a better position in terms of resource availability and experience to minimise most of the disadvantages of these methods. Job rotation, as a means of job redesign, is prescribed as more suitable for only a small number of people as a means of deliberate preparation for general management rather than as a scheme to give general experience for a large number of people (Mumford 1997; Huczynski 1983). However, the researcher feels that Japanese MD provides good examples in the use of job rotation as means of inducting managers to the organisation, just after recruitment, from which both individual and the organisation can gain benefits. Learning from job moves in the form of secondment and promotion into a new organisation are valued for experience that can be gained by a manager. However, it is doubtful that to what extent these methods can be used by organisations that do not have such facilities to move managers into jobs outside their employing organisation. However, Japanese companies have used job moves to provide wide experience by not only moving managers to other companies in the group but also moving them to overseas job postings. Allocating additional responsibilities, projects, and committees, working parties and task forces as means of job redesign provide major potential development benefits (Mumford 1997; Huczynski 1983). However, simply providing these processes are not effective unless the available development opportunities are analysed, discussed and the actual processes of

learning are understood and employed by the manager involved. Unless the manager undergoing the development activity is not aware of the developmental objectives, he/she might be unable to get the full use of informal incidences. Thus, benefits to the individual as well as to the organisation may be decreased as unintentional learning always has unintended learning consequences. However, assignments of short duration, as means of job redesign, often fail to provide the intended learning, and also managers may receive incorrect feedback about the accuracy of their performance. In consequence, the organisation may also make a wrong judgement about the effectiveness of the manager involved.

Formal development interventions within the job is concerned with the ways in which learning could be assisted, as distinct from job redesign, which reviewed opportunities. These development methods represent an increasing trend towards helping the individual to take charge of his/her own learning. Therefore, the primary driver of the acquisition of knowledge and skills becomes the employee but the facilitator is available to give guidance, insight and encouragement in the learning process. Hence, it is important that individual managers are fully aware of the personnel gains from these development activities, and the both parties have a clear understanding of their roles. In addition, while formal development interventions are effective techniques of improving job performance in the short term, they are more effective when they also take into account some of the long-term development needs of the individual. Hence, these interventions become most effective when they are part of a structured approach fully integrated into the organisation's process of developing people. On the other hand, though organisations recognise the advantages these interventions bring, the resource constraints has limited the time individual senior managers can invest in their colleagues. However, in Japan where "fast track" promotion system do not exist and where it is seen as part of their role to teach and develop subordinates, development methods on-the-job had a record of success. Further, in Japan, on-the-job development methods are an integral part of the daily organisational life and these were used extensively at all the levels of management.

As managers cannot learn on-the-job anything that is not available within or around it, they cannot develop skills that are not actually employed at the work environment. Therefore, development activities off-the-job have to be considered as complementary to other development approaches. Off-the-job development activities are highly valued in the instances where managers are required to achieve new skills that are not currently available within the organisation or where there is no one available within the organisation in demonstrating, coaching, mentoring or facilitating development. As means of MD, activities off-the-job have its own strengths and weaknesses. Therefore, it is beneficial to use a mix of in-company and external off-the-job development activities. In most instances Asian countries prefer to use development activities off-the-job than on-the-job.

The researcher feels that colonial and post colonial structure of the general education of Asian countries, which is in most cases instructor-oriented and less learner-oriented, has considerable influence on the methods used for HRD, in particular MD. However, in Japan, formal off-the-job development activities have typically not seen as the main route to develop Japanese managers.

Development activities planned by the individual mainly include modelling on boss, modelling on colleagues or outsiders, and reading. In these methods, though individuals have to take the main responsibility for his/her learning, this does not remove the responsibility of the organisation in providing a proper climate. Reading and modelling on boss, colleagues or outsiders as means of development activities planned by the individual will only become effective if those are integrated into a planned development scheme. It is said that in Japan subordinates grow into managers by "watching their superiors' backs". The open-plan office arrangement, where managers exposed to their subordinates, allows plenty of scope for this sort of learning. Reading as a part of a development programme may be a valuable way of gaining knowledge as long as the material is seen as relevant, and there is follow-up to ensure that learning has taken place. In encouraging learning by observing others, formal MD ought to include help on how to observe others at work, and how to build review processes after the observation.

The literature reveals that organisations make considerable effort to upgrade the quality of the workforce continuously through the use of a mix of development methods instead of using a single one. Japanese MD is a mix of planned on-the-job development methods, self-development methods and off-the-job development methods. Further, in the case of Vietnam, too, though their MD has primarily been based on formal lecture methods, with exposure to other approaches, formal MD programs in Vietnam have begun to incorporate a mix of interventions. However, the preference attached to each formal development method can be changed over time. There are interesting findings on the ways in which an organisation's approach to MD have changed over the years (Mumford et al 1987; Okazaki-Ward and Amaya 1996; Ishizaka 1996; Kagono 1996). According to Mumford et al (1987) there are evidence that MD methods changed either from a wholly informal and unstructured to a formal system, or in terms of changes within an existing formal structure. The major cause of changes in the MD scheme has to be derived from changes in the business itself (Mumford et al 1987). In Japan, their preference to MD methods has changed over time due to dramatic shifts experienced by the Japanese business sector, in 1995, when it has shifted from lifetime employment system to employability (Okazaki-Ward and Amaya 1996). The evolving new model of employment system has prompted the government to provide vocational skills and MD and managers to consider more on self-development activities while companies are also conducting in-company managerial development interventions.

These different types of MD interventions have made important implications for human resource professionals. First they need to be more aware of the full range of MD interventions, including developmental challenges, and how these relates to informal and incidental learning. Second, to achieve an effective system of formal MD, organisations have to take the responsibility of providing proper facilities for MD as well as must increase the manager's capacity and willingness to take control over and be responsible for him/herself and his/her own learning.

On the other hand, from the above discussion on the application of MD methods, it is reviewed that different countries emphasise different methods of MD. As presented in chapter 4, it is well documented that when companies go abroad they take their own MD practices with them that reflect their specific management concepts and practices. Therefore, in the Sri Lankan context, it could be expected that the companies of different ownership could bring with them their own MD systems with distinguishable features.

2.4. Systematic approach to management development

According to Atkins (1983, as cited in Buckley and Caple 1990) the term "systematic approach" can be interpreted as a logical relationship between sequential phases in the development effort. In this context MD effort could be viewed as an interdependent and interrelated phases. And each phase of the total process is a sub-process to the entire process. Therefore the sub-processes are interdependent, interrelated, and stand individually but when connected, forms more than the sum of their parts (ILO, 1986, Prokopenko, 1998). Hence, this view stresses a concern for the total system rather than for the objectives of any single component (Goldstein 1974). Taylor (1991, as cited in Bratton and Gold 1999) argue that the systematic concept is sound and can be used as a heuristic device and an approximation to reality. The model serves to highlight the problems that need to be overcome at each stage by refining techniques.

It is apparent from literature that many writers view development effort as a process or series of logical phases and a close study of these show that they all contain the same phases even though they may be presented in different formats (Buckley and Caple 1990). However, generally there is an agreement among all writers that formal development effort should:

- declare certain learning objectives,
- use a variety of learning methods to reach the objectives, and
- apply some kind(s) of evaluation/validation at the end of the programmes.

(Free Management Library, Online)

Although the systematic approach places evaluation as the last phase of the model, a number of writers have pointed out the value of evaluation at each phase of the process (Donnelly, 1987, as cited in Bratton and Gold 1999; Brinkerhoff 1987).

Because of the following reasons, the researcher feels that the systematic approach is needed for MD.

- In providing development opportunities for managers identification of needs is vital.
- Better administration of any development activity and the validation of outcomes are also vital when MD is considered as an investment. Therefore, the systematic approach facilitates to monitor the progress of MD activities.
- The systematic approach is goal-oriented (to produce results for the organisation and/or for the learners), with the results of each phase being used by the next phase. Typically, each phase provides ongoing evaluation feedback to other phases in order to improve the overall system. Therefore an advantage of adopting this concept in MD is that it allows establishing checkpoints to keep each phase on track, under control and produce the required outputs. These checkpoints can be established at the beginning, during and at the end of the process. The checkpoints at the beginning answer the question of whether the correct outputs will be produced. The checkpoints during the process answer the question of whether the correct outputs are being produced. The checkpoints at the end answer the question of whether the correct outputs have been produced (Wills, 1998b). Therefore, this process can be considered as helpful means of preventing or solving problems.
- The systematic approach also involves line management in the process by making them establish development needs, assess results, etc (Tavernier 1971).
- The systematic approach is applicable to any organisation regardless of organisational context (Patrick 1992) though the rigidity of the process could vary among managers and workers.
- The management development effort could vary in its scope, nature and patterns from one organisation to another. Yet, as Ashton and Esterby-smith, (1979) state that it is apparently easy to transpose the formal objectives of MD from one organisation to another.

However, it should be noted that according to Megginson et al (1999) the leading ideas in HRD have changed over time. According to them these changes reflect a realisation that the circumstances are different and new needs are dominating in the organisation. They have identified that the above mentioned systematic approach dominated in the HRD practice from the mid 1960s to mid 1970s. According to Megginson and Pedler (1992, as in Megginson 1997) this systematic approach became significant due to skills shortages identified during that period. When considering the current leading ideas on HRD, according to Megginson et al (1999), they are based on "personal development with individualised plans for which each employee and his/her boss take responsibility".

The researcher has no hesitation on these views. The researcher, too, as mentioned earlier consider MD as the total process which embraces both informal and accidental as well as formal processes. However, still, the researcher believes that to have success in personal development the individual and the boss have to plan the development. Hence, identification, designing, implementation and evaluation are vital. When reviewing literature by Marsick and Watkins (1997), Mumford (1997), Megginson (1994), Megginson and Whitaker (1999), and Cunningham (1999), they all some way or other have stated

that individuals with their bosses have to plan the development process. For instance, Marsick and Watkins (1997) states:

“Increasingly, individuals must learn continuously in order to be competitive. There is a push towards self-reliance, self-development and self-directed learning with managers and employees being held more accountable for performance. However, people do not always want to take control of their learning. Assuming that managers want to facilitate informal learning, what can they do? One of the strategies is ‘planning for learning’... Planning makes learning more conscious and better focuses and increases the measures of accountability... Planning enables people to nurture learning strategically and to take advantage of a wider range of learning strategies that might otherwise be overlooked ...”

Marsick and Watkins (1997, p 304-305)

Further, professional bodies such as Institute of Personal Development also asks members to plan their continuous development. The planning involves asking members what they do, what they might do in the future, and what resources and methods they might use. Then they have to specify their development opportunities, detail their action plans and keep development records (Megginson 1994).

These extracts from literature provide evidence for the needs of planning ones own development. On the other hand, according to Rothwell (1996, as cited in Megginson et al 1993) one of the problems with the development effort is that it is “...not always planned and conducted systematically in the way that reflects best practices in development design and delivery. In other words, the operational quality of development effort is sometimes lacking”. Therefore, though one can identify disadvantages of the systematic approach, the researcher feels that this approach is an ongoing, flexible, and results oriented approach that helps organisations to link MD objectives with present and future organisational problems and strategies. Further, it guides individuals in their own development. Therefore, in the research, the systematic approach to MD was used as a blueprint or as a best practice to help to structure the research.

Therefore, in reviewing literature, emphasis is place on describing how both formal and informal MD could follow or could benefit from the systematic approach. However, as explained earlier, because of the restrictions on the number of words in the thesis the researcher does not make any attempt to present a detailed description of the each phase of the systematic approach. On the other hand, the researcher found that all most all textbooks on HRM deal with this aspect. However, the review of literature on the application of MD in relation to the systematic approach is presented in chapter 5, when discussing how Sri Lankan organisations apply the systematic approach in relation to MD.

Therefore, following subsections are devoted to discuss the systematic approach to MD in relation to both informal and accidental as well as formal MD.

Development needs identification and evaluation

Needs identification and needs evaluation/validation are two essential activities connected to MD (Wills 1998; Harrison 1992). Many writers state that needs identification is the identification of gap between requirements of the job and present capabilities of the individual. And, this is the gap which has to be filled by MD (Storey and Sission, 1993; Robinson, 1981; Armstrong, 1991; Boydell, 1971; Arnold et al, 1991). Further, all most all researchers have agreed with the view that MD needs identification should follow a logical sequence from the corporate level to the individual level (Wills 1998b; McGehee and Taylor as cited in Mole 2000; Mathis and Jackson 1994; Boydell 1976; Goldstein 1974; Stewart 1994).

To make the process effective, development requirements identified need to be evaluated/validated to identify those individuals who need development opportunities to ensure that development activities are both appropriate and necessary. Further, it is also useful to estimate the impact of the MD workload and to prepare a MD plan (Bratton and Gold 1999; Wills 1998b).

In the case of informal learning, individual managers has to identify prospective learning opportunities and should subsequently review the extent to which he/she has taken advantage of them (Mumford 1997). Such identification is always looking back retrospectively to learn from the past experience. According to Mumford (1997), essentially, the experience resides in a good retrospective review or a good analysis of prospective experience. Those are managerial activities from which some deliberate learning derived from conscious thought and discussion. Every time what need to be learnt should be linked to work situations. At the core of the leading idea of linking learning to work is the importance of stating needs and aspirations of the learner. This empowers the learner to begin learning by thinking about what they want to master, improve or change (Megginson et al 1993). For instance, managers can undertake self-diagnosis and clarify what they want to do. This may help managers in focusing on what is needed to be learnt.

Though managers create learning experiences by thinking and reviewing normal managerial activities purely "in the head", they can also be found by reviewing various kinds of (mainly written) material (Mumford 1997). Some of such written materials are job description; activity list or daily/weekly reminder of things to do; work diary that may simply indicate some of the most important events on daily basis; a learning log, where a manager deliberately keeps a review of learning experiences and opportunities; discussions with colleagues, where one or more colleagues identify similar activities and experience which may provide learning; individual discussions with boss, where some

specific activity is related to a learning opportunity. Therefore, individuals have to make an effort in the identification of learning incidences. In the planning process, personal development plans that are developed in concert between managers, their superiors, and often external learning facilitators, play a vital part (Mumford 1997; Marsick and Watkins 1997).

Setting development objectives is reviewed in the following section in the light of the identification of development needs.

Setting objectives

Once needs have been identified, specific and clear objectives can be established that can be used to design development activities and validate/evaluate the outcomes. The objectives of development activities should relate back to the development needs identified in the needs analysis. Therefore, objectives are an essential tool for the developers of the development activities, the providers of those activities and for the learners (Wills 1998b). The objectives need to be specific and unambiguous in stating the changes expected in terms of the organisational and the individual performance (Scholl and Brownell 1983; Wills, 1998b).

In the case of informal learning, too, experience is not educational unless it is purposive. The objective or purpose guides the process of learning. When the purpose is clear, managers can observe surrounding conditions better; they can learn from the knowledge of what has happened in similar situations in the past. Further, the purpose guides to learn from the knowledge that is obtained by recollection, and from information, advice, and warning of those who have a wider experience. Therefore, most often having objectives in the incidental learning is vital.

As mentioned in the earlier phase, managers can set the objectives based on the materials they used to identify learning situations, such as job description, work diary, learning log, individual discussion with boss, etc. In setting objectives, it is much more likely to involve other people, probably the manager and the boss in most situations or perhaps the manager and one or more colleagues. The discussion of options, prospective learning and retrospective learning are likely to be enhanced by checking them out with other people. It is partly through this process of openness, sharing, and partnership that some of the weaknesses of learning from experience can be reduced (Mumford 1997).

Designing development activities is reviewed in the following section in the light of setting development objectives.

Designing and planning management development activities

Not all MD interventions call for straightforward transfer of knowledge/skills, therefore most appropriate development interventions have to be selected or designed (Mole 2000). The instructional constraints imposed by what, who, and how of the design of development activities. The first line of questioning centres on the development method itself, with the HR professionals asking what limitations will be placed on the development needs by the method selected (Warren 1979). The second line of investigation in defining constraints is to decide *who* will conduct the intervention (Wills 1998b). Third, it is needed to identify those constraints imposed on the intervention by the organisation's approach to the implementation of the action: *how* will the intervention be handled in the real working environment of the organisation. De Meuse and Tornow (1996) state that in developing employees, the focus must shift to activities that favour career planning and continuous development. Above all, it is needed to make adjustments to the development plan, and prioritise the candidates.

In the case of informal learning, one of the features of managerial experience as a learning process is that managers have to plan/pre-decide informal learning. However, learning should not be separated from experience. Therefore, learning has to be tied to real-life problems and experience. Though learning takes place "just in time" while struggling with a challenge, this cannot happen without time to learn, feedback and other forms of assistance (Marsick and Watkins 1997). According to Marsick and Watkins (1997) real-life challenges are also woven consciously into classroom activities. Therefore, computer based technology has been often used as well to aid in problem solving, self-directed learning and interactive online dialogue. Further, there are tools that have been created to enhance planning for learning that is tied to job challenges (Marsick and Watkins 1997).

The implementation of MD activities is reviewed in the following section in the light of designing and planning MD activities.

Implementation of management development activities

The selection of appropriate development interventions does not ensure the success of the development effort. Although implementation is the culmination of all the efforts that have been put into the previous phases, it should be remembered that, as far as the rest of the organisation is concerned, this is only the start of the change process (Wills, 1998b). However, if an intervention did not reach the expected level of achievements, it is often not they are conceptually flawed or poorly designed, but because they are badly

administered. In administering development interventions both pre and post administration requirements have to be considered (Wills 1998b).

In the case of informal learning, managers may have no choice about the managerial experience. However, managers have to learn from them. According to writers, failure to learn from experience might not be the result of deliberate and conscious avoidance but simply failure to recognise the opportunity or ignorance about how to learn from it most effectively (Mumford 1997). When managers are unable to learn immediately as they are faced with work situations, they have to use these in retrospect, where managers look back on a particularly powerful managerial experience and more or less consciously registers learning from it.

However, whether learning is provoked by events or by others, manager's insight alone is insufficient. They need organisational support, which encourages individuals to grow, accepts individuals who have changed, and promotes the retention of new behaviours (Marsick and Watkins 1997). Therefore, facilitation is vital at this point of the process. According to Marsick and Watkins (1997), when learning is unintentional, facilitators have added tasks, such as to deal with the emotions generated by a surprise and to behave ethically. However, in most situations managerial learning is intentional therefore, the task of the facilitator is primarily to help self-directed learners be more productive in their learning projects. On the other hand, according to the HRD view, what individual manager has learnt has to flow freely within the organisation (Marsick and Watkins 1997). What is the most important is that such individual learning has to flow from the individuals and those have to be captured and used by other members of the organisation. Hence, in this process developing an environment conducive to learning is vital.

Therefore, learning has to be pursued consciously and deliberately as profit (Kolb 1996). Managers and organisations should budget time specifically to learn from their experience. For example, when important meetings are held or important decisions are made, time should be set aside to critique and learn from these events (Kolb 1996). On the other hand, managers have to have freedom to influence outcomes by taking risks and doing things differently (Megginson and Whitaker 1999).

The transfer, validation and evaluation of MD activities are reviewed in the following section in the light of the implementation of development activities.

Transfer, validation and evaluation of development activities

According to writers, the final phase of the systematic approach brings MD in to a full cycle. This phase has to be considered in terms of transfer, validation and evaluation. The first aspect, the transfer of learning, ensures that the learning is transferred into the business. Management development has no impact on the business unless the skills are used back in the workplace (Warren 1979). The second aspect is known as the validation of development interventions and it is the process of ensuring that programmes meet and continue to meet their stated objectives (Wills 1998b; Martin 1968). Validation is an internal check on the development activities, primarily at the individual level - whether the participants have reached the required standard and their reactions to the interventions (Wills, 1998b). The third aspect, evaluation, ensures that development activities have had the desired effect. Evaluation is a set of information gathering techniques. Mathis and Jackson (1994) and Wills (1998b) argue that because development is both time consuming and costly, evaluation should be an integral part of the programme. However, evaluation is not required to be done after each and every development intervention. Validation is normally sufficient to get the required information on development interventions. Then, finally, the programmes need to be revised to incorporate the changes identified during the validation and evaluation (Wills, 1998b).

In the case of informal learning, as explained under setting objectives, experience is not educational unless it is purposive (Marsick and Watkins 1997). A significant feature of incidental learning is that it occurs naturally. However, managers have to analyse their interpretations otherwise their false assumptions can lead them to inaccurate conclusions (Watkins and Wiswell, 1987). Reflection is the primary tool to trigger learning from experience. Disciplined reflection, challenging one's assumptions and comfortable ways of thinking, leads to deeper learning (Marsick and Watkins 1997). Unintentional learning can lead to intentional learning, only if it is identified by reflection.

To make the informal and incidental learning more effective, managers can maintain learning logs, they can keep journals, or they can review backward. These are some of the tools that can be used in the learning process. Learning log can be used to record experience, what happened, conclusions, the actions individuals will take, and by when (Megginson 1994). The learning log has to be reviewed time to time to see how individual has progressed with his/her actions. Success or failure highlighted by this review may lead to another entry into the learning log. Keeping a record of the life in a diary or journal is perhaps a key method of logging learning. It can include reviews of own experience, or references to read, or ideas that have come across (Megginson 1994). Such tools provide vital information in the process of reflection.

Unless considerable effort is put into development interventions, development, at best, random and haphazard or may not be what is best for the organisation. Therefore, transfer, validation and evaluation have to be thoroughly considered. In the informal learning reflection is the most important. Experience can lead to intentional learning only if identified by reflection. Managers may need organisational support in the process.

In conclusion, in developing managers, the separation of formal MD from informal processes literally takes MD away from the reality of managerial work. Hence, in the development process both informal and formal development processes have to be utilised. Formal MD includes institutionally sponsored, planned and deliberate processes, which are often monitored and controlled by people and forces other than the individual manager involved. Informal MD, on the other hand, is by-products of other organisational activities, such as task accomplishment or interpersonal interaction, and managers may not set out intentionally and explicitly to learn something through pre-planned means.

However, the most significant feature of informal development incidences is that though informal development opportunities almost always take place naturally, managers are not always conscious that they are in developmental experiences at all. Therefore informal development incidents are tip of an iceberg in two senses. First, they are a tiny proportion of a full range of incidences from the managerial work that provide learning experiences. Second, they are tip of an iceberg for any particular individual. Therefore, though informal, accidental experiences are widely present and often provide the deepest and richest learning, they are often badly identified, and as a consequence, insufficiently used. Therefore, informal learning has to be deliberately encouraged by an organisation. Organisations can provide kinds of challenges that will provide opportunities to develop new skills/abilities.

Therefore, there is an important role for a more formalised and structured approach to learning. Though conventional development activities that are based on internal or external means still has a role to play, informal and incidental learning is also important. Both formal and informal development processes are enhanced only if those processes are structured and planned through the accurate identification of needs and objectives, the use of appropriate techniques, and meaningful assessment mechanisms. By using the systematic approach, formal development activities could be designed in such a way that those are valuable experience for the learner; those are useful revision methods for existing staff in becoming mentors. In the case of informal learning, individual involvement is vital. Individual managers have to identify their own purposes for learning. Ultimately, disciplined reflection leads to deeper learning. However, in this process organisational

backing and support from peer groups are also important. Therefore, organisations have to consider development as an investment rather than cost.

Though planning, both formal and informal learning, enables individuals to nurture learning strategically and to take advantage of wider range of learning strategies that might otherwise be overlooked, it should not be forgotten that there might be range of factors that create problems. First, the process requires motivation, attitude, flexibility and propensity to learn from the individual employee. Learners have to remain open to alternative frames of a problem, seek competing explanations, adopt an attitude of experimentation and trying on new behaviours for their own development. Second, the nature of the managers' jobs should offer opportunities to actually use the skills and competencies the manager has obtained. Therefore, addition of new responsibilities, chances to experience jobs in other sections through planned job rotational schemes are all relevant to the need to provide jobs that challenge the employee and offer new and interesting work experience. Third, organisations have to provide an environment that is conducive to learning. Organisations have to encourage, nurture and support the development process, and have to promote the retention of new behaviours to make learning so much effective and valuable. Organisations have to budget resources, especially time for development activities. Only through organisational support systems what individuals learnt from the development interventions will flow freely within the organisations to be captured and used by other organisational members.

2.5. Summary

After each subheading, conclusions for the sub section have been provided. Therefore, here only a summary is provided.

In the study, MD is looked into in relation to the HRD perspective. Human resource development in the organisational context provides an integrated and holistic approach to facilitate, guide and co-ordinate work-related learning using range of learning techniques and strategies. According to the HRD perspective, it is much more likely that considerable emphasis has to be given in managing one's own learning and in identifying one's own learning requirements and in finding the ways of meeting those. The basic purpose of HRD, in the organisational context, is to contribute directly to the organisation's goals through improving performance. Though HRD will take place in any organisation irrespective of whether there is any deliberate intention to facilitate it, one of the challenges of SHRD is to incorporate accidental learning processes into its purview. In facilitating HRD, there should be a partnership between HRD professionals and key players - employees, senior managers and line managers.

Formal MD methods categorised by Mumford et al (1987) is used in the research as it provides relatively definite categories. Those formal MD categories are job redesign, formal development interventions within the job, development activities external to the job and development activities planned by the individual. Research evidence shows that firms have to make considerable effort to upgrade the quality of the workforce continuously through the use of a mix of development methods instead of using a single one. Japan provides good examples for the use of a mix of development interventions that include planned on-the-job development methods, self-development and off-the-job development methods. However, the preference attached to each formal development method could be changed over time. Again the recent example is the changes that are occurring in Japan. However, whatever development method is used, all interventions have important implications for HR professionals. The above reviewed literature showed some aspects in which there can be differences in MD methods followed by companies from different parts of the world. As this research addresses differences in MD practices across companies of different ownership, in the Sri Lankan context, it can be expected that the companies of different ownership may bring with them their own MD systems with distinguishable features in MD methods. On the other hand, as host country business partners can learn from their joint venture partners, these companies may have an impact on changing HR practices in Sri Lankan enterprises.

When considered separate, both informal and formal MD processes have their own pros and cons. Hence, there are some deficiencies in the total reliance on a single process-formal or informal. Therefore, the balanced view of MD should include the total process, which embraces informal as well as formal processes. However, informal learning has to be deliberately encouraged by an organisation. In this context, organisations can provide kinds of challenges that provide opportunities to develop new skills/abilities.

There is an important role for a more formalised and structured approach to learning. Though conventional development programmes that are based on internal or external means still have a role to play, informal and incidental learning is also important. Both formal and informal development processes are enhanced only if those processes are structured and planned through the accurate identification of needs, the establishment of objectives, the use of appropriate techniques and meaningful assessment mechanisms. Identifying what managers' want through self-diagnosis provides the focus on what is to be learnt. Setting goals direct managers towards appropriate direction while goal sharing with others may be useful in providing mutual support and challenge. Designing learning processes based on goals and appropriate resources and support for learning enable managers to achieve those goals. Finally, by reflection success and failure can be assessed. This provides information on whether learning was on the track or whether goals have to be revised. Therefore, development planning like the systematic approach

to MD is a cycle, where each phase provides inspiration and guidance to the other. Therefore, managers have to integrate this into their life on the continuous basis. In the learning process facilitators, peers, other colleagues and managers from other organisations can be great sources of knowledge. Hence, organisations have to provide an environment that is conducive to learning, where learning is encouraged, nurtured and supported.

Chapter 3

Literature Review: Importance of Organisational Strategy and Top Management Support for Management Development

3.1. Introduction

In the HRD process, MD in particular, organisational strategy and top management support play a vital part. Therefore, organisations have to adopt a wider perspective and accept that HRD is an important part of an organisation. If the HR function is given its due place in the organisational strategy process, and if top management support the HRD function, HRD does not have to operate in an organisation in isolation. According to Rothwell (1996 as in Megginson et al 1993), if "HRD operates as an isolated, solitary activity that is not linked with other organisational initiatives and policies, it often involves the so called "sheep dip" approach, where nothing else happens to reinforce the HRD effort and often expectations about the outcomes they achieve are limited to getting people to attend". Therefore, the organisational strategy should drive the HRD process; the HRD effort has to have relevance to both business requirements and to the development needs of the people. Therefore, in section 3.2, the importance of the HR function in the organisational strategy process is presented.

On the other hand, top management support is vital and a key to success of the HRD effort. Therefore, if HRD is viewed as a process of long-term investment, then top management should provide encouragement, guidance and opportunities for their development. However, the nature of such support to a large degree depends on the active promotion and support from the top management. Therefore, in section 3.3, the importance of top management support towards the HRD function, MD in particular, is presented.

As explained in chapter 4, there are number of different and equally successful ways of organising management in the market economy. Further, it has been documented that when companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures. In this sense, while local companies can learn the process of forming and maintaining an international business, they can also learn the international business partners' management practices. In this context, the actual importance given to the HR function in the organisational strategy process and top management support for MD are presented in chapter 5 based on Sri Lankan and international literature.

3.2. Importance of the HR function in the organisational strategy process

Many researchers and practitioners in the field of HR seek to clarify the role of HR in the organisational strategy process (Bolt, 1989; Broderick and Boudreau, 1992; Rhodes, 1988; Snell, 1991, as cited in Cianni and Bussard, 1994). They have emphasised that HR practices can help to create a source of sustained competitive advantage, especially when they are aligned with competitive strategies (Begin, 1991; Butler, Ferris, and Napier, 1991; Cappelli and Singh, 1992; Jackson and Schuler, 1995; Porter, 1985; Schuler, 1992; Wright and McMahan, 1992, as cited in Huselid, 1995). The advantage of bringing HR into the strategy process would include expanding the range of solutions to organisational problems assuring that HR is considered in the determination of goals, in the assessment of organisational capabilities and in the recognition of the people responsible for implementing the strategic plan (Lengnick-Hall and Lengnick-Hall, 1988, as cited in Cianni and Bussard, 1994).

When considering the importance given to the HR function in the strategy process, several questions have to be answered, such as what is business strategy? What is HR strategy? What is the importance of the HR function in the organisational strategy process? What is the importance of HR personnel in the strategy process, etc. Therefore, these aspects are looked into in the following sections.

a) Business strategy

In management context, the word strategy is used to denote an activity that organisations perform in order to accomplish its goals (Bratton and Gold, 1999). Aktouf (1996, as cited in Bratton and Gold, 1999) sees strategy as maintenance of a "vision of the future" that has to be constantly updated based on both the internal and external environment.

According to the conventional wisdom there are three levels of strategy, namely, corporate, business, and functional (Bratton and Gold 1999). These three levels of strategy form a hierarchy of strategy within a corporation. The corporate level strategy describes corporation's overall direction in terms of its general philosophy towards growth and the management of its various business units. The business level strategy deals with decisions and actions pertaining to each business unit. Guest (1989, as cited in Bratton and Gold, 1999) and Schuler (1987) emphasise the need of having a close "link" between HR strategy and those business level strategies. The functional level strategy pertains to major functional operations within a business unit, such as HR. Typically, this strategy level is primarily concerned with maximising resources and supporting business level competitive strategy. Strategic management literature emphasises that the strategies at different levels must be fully integrated. The strategy at corporate level must build upon the strategies at the lower levels of the hierarchy. However, at the same time, all parts of

the business have to work to accommodate the overriding corporate goals (Wheelen and Hunger, 1993; Bratton and Gold, 1999).

Quinn (1991, as cited in Hendry, 1995) mentions five levels in relation to a particular strategy, namely goals (or objectives), policies, strategy (or strategic plans), strategic decisions, and programmes. Goals range from broad sets of values that express the underlying purpose of the organisation through overall goals about the direction in which it is intended to progress down to unit and sub-unit goals that define more immediate targets. Policies are rules or guidelines, which express the limits within which action should occur. Organisations often have a hierarchy of policies. Like objectives, they support for departments having their own sets of policy guidelines. Strategy (or strategic plan) "is the pattern or plan that integrates an organisation's major goals, policies, and action sequences into a cohesive whole". It is the overall plan that holds together and gives purpose to special programmes of action and departmental plans. Strategic decisions determine the overall direction of an enterprise. These intimately shape the true goals of the enterprise. The notion of "strategic decisions" emphasises the processes which go into the making of a "strategic plan", and also how this continues to produce adaptations to the general sense of direction set out in a "strategy". Quinn (1991, as cited in Hendry, 1995) defines programmes as "the step-by-step sequence of actions necessary to achieve major objectives, involving the commitment of resources". Programmes provide the "dynamic track" against which progress towards achieving goals can be measured.

In the following section the HR strategy is discussed in the light of the organisational strategy.

b) Human resource strategy

Dyer (1984 as cited in Bratton and Gold, 1999) describes the HR strategy as "the pattern that emerges from a stream of important decisions about the management of HR". Hendry (1995) states that in line with the levels of the organisational strategy, HR should also operate at a number of levels. Hence, HR strategy should consist of many things - goals, policies, plans, decisions, and programmes. According to Armstrong (1996), the HR strategy describes the intentions of an organisation on what needs to be done and what needs to be changed in all aspects of HR in order to facilitate the attainment of corporate goals.

Human resource policies provide guidelines for implementing the HR strategy and for carrying out HR practices, in which HRD is one of the key policy areas. Human resource development policies express a company's commitment to the continuous development of skills and abilities of employees in order to maximise employees' contribution and to

give them opportunities to enhance their skills, realise their potential and advance their careers (Armstrong 1996). Further, it is essential that any policy regarding HRD be in harmony with the company's HR policies on recruitment, pay, promotion, and be in line with the company's overall objectives (Tavernier 1971). Researchers identify following personnel policy areas as providing broad guidelines that can direct HRD within an organisational system.

- Promotion from within - If such a policy is truly operative, the necessary assessment and development activities would be in place. The policy of promotion from within drives more systematic employee development (Hall, 1984; Devanna et al 1984)
- Cross-functional movement - Experiences in different parts of an organisation force a person to develop a wide range of skills and wide network of relationships with a more company-wide perspective. Policies on movement have potential effects on what kinds of skills are to be developed (Hall, 1984)
- Minimum and maximum incumbency times - This is a way to force management to assess the skills and placement needs of each employee. If an employee is difficult to move anywhere else because of narrow skills, this would force providing development opportunities (Hall, 1984)
- Successor development before promotion - Linking the manager's career development with the subordinate's provides a powerful inducement in this direction (Hall, 1984)
- A statement about the processes to be used in identifying and developing managers - Such a statement refer to individual performance review to identify individual development needs, to plan and review processes applying to individual assessments, and to decision powers of those involved in making development decisions (Mumford, 1997).

Researchers find the production of a well established and precise policy document is valuable because it provides rules and procedures governing the standard of scope of MD and provides an opportunity for drawing attention to issues. It further represents top management's commitment to the development of employees and at least state what the organisation believes in (Mumford 1997; Mamoria 1998).

To respond to MD needs effectively, MD should be aligned with the business operations. And also, to be proactive, there should be a clear idea of the nature of MD over a long period. According to Wills (1998b), the needs analysis and HRD policies provide answers to "what" and "how much" and HRD strategy provides the long-term orientation or "vision" of the function.

After looking into both organisational and HR strategy, the importance that should be given to HR function in the organisational strategy process is discussed in the following section.

c) Importance of the HR function in the organisational strategy process

Managers have to realise that HR practices can be either influenced by strategy or vice versa (Hendry, 1995). For example, first, organisational plans touch directly upon HR management in its role of getting, keeping, developing, and managing people (Hendry, 1995; Tyson et al, 1995, as cited in Armstrong, 1996). Second, it is also possible that HR practices can influence strategy selection and planning (Butler, Ferris, and Smith Cook, 1988), such as whether to grow by developing internally or by acquiring from other firms (Napier, 1996). Third, there is a constant role for the HR function and HR specialists to propagate values, which can happen formally through HRD (Hendry, 1995). Last but not least, strategic plans and strategic decisions depend on the quality of management and the organisational decision-making processes. Human resource function contributes to the quality of management through management selection and development overtime (Hendry, 1995). The first instance above shows how strategy can influence the way in which HR practices are conducted in an organisation. On the other hand, second to fourth above show how HR practices, can influence the strategy process. Therefore, as organisational strategy and HR strategy are both input to and a constraint to the other (Wright and Ferris, 1996) an important place should be given to the HR strategy in the organisational strategy process, vis-à-vis (Wright and Ferris, 1996; Mathis and Jackson, 1994; Armstrong, 1996).

Dyer (1986, as cited in Bender et al, 1996) has identified specific contributions that the HR function can make in the strategy formulation. The HR function can provide input concerning the availability of the required human resource (quantity, quality, and skill mix) and the costs of acquiring, retaining, developing, and motivating human resource. Thus, increasingly, theorists are recognising that successful business strategies are developed around the "core competencies" or the skills of the organisation, rather than being driven primarily by the assessment of market opportunity. Human resource strategy should, therefore, be driven by the assessment of skill requirements, changing skills, and skill deficits, since these frame the possibilities for a business (Hendry 1995). Bratton and Gold (1999) agree with the view that HRD can make a contribution to the strategy by saying:

" Not all organisations are so effective in developing a strategy and a HR function that could develop a policy to move the organisation in the appropriate direction. In some cases, the HR function is able to be proactive and play a leading role in driving strategy. There are number of organisations where the future of the business has been based on the development of its people with the HR function playing a key role in facilitation"

(Bratton and Gold 1999, p166)

Therefore, it is clear that organisations have to give its due place for the HR function in the organisational strategy process.

However, according to Hall (1984) there may be several reasons for the failure of the HR component in the strategy process. First, in the process of strategy formulation, the element of HRD is often missing. Though many organisations invest considerable resources in HRD, never really examine how HRD activities should be altered in the light of business plans. Price Waterhouse/Cranfield Survey (1990, as cited in Collins 1994) showed that the likelihood of producing an HRD strategy is much lower in organisations where the HR function is not involved in formulating business strategy from the outset. Second, another related reason, in which HRD fails to be done strategically in many organisations, is that the time span is often too short; often an inadequate amount of energy is devoted to the identification of future skill needs compared to the growth of these skills. The focus is frequently on skill requirements in new or present assignments rather than on requirements of positions on 5 or 10 years into the future. Finally, the study of Hegarty and Hoffman (1987, as cited in Collins 1994) also show that whilst a number of functions influence strategic decisions, the HR function consistently exercise least influence. Fourth, although organisations are likely to employ HR specialists and have a range of HR policies, there is usually little interconnection between them; also there is little interconnection with business planning (Storey and Sission 1989 as cited in Collins 1994).

Finally, in the following section, the importance of HR personnel in the strategy process is discussed.

d) Importance of human resource personnel in the strategy process

It is important that organisational strategy should drive the HRD process (Megginson et al 1993). If HRD to meet the needs of the organisation and to be truly relevant, it needs to be driven by the organisation's strategy. This makes each piece of the development effort a part of the organisation with each participant receiving what they need and in the way in which they need it (Hunt, 1986; Cushway, 1994). Therefore, HR managers have a vital role to be played. They have to be active in the strategy process - they have to participate in the organisational decision-making process; they have to make suggestions relating to HR and HRD. On the other hand, organisations have to take into account HR managers' suggestions and if valuable those have to be included in the organisational decisions. Borucki and Lafley (1984) state that the ability of the HR executive to add value in determining the strategic direction of the corporation with particular focus on HR issues is very important. Despite HR managers' existence, many have yet to acquire the respect and recognition of other departments (Megginson et al 1993). Explanations for the actual status and the contribution of HR managers have to be sought within their own organisations, but in a more general sense, there are several points which may shed some light on this question. First, HR managers, even where they have more narrowly defined their role, often fail to provide a quality service. Second, their ability to operate as

effective deliverers and managers of the HR function is limited and fails to meet increasing standards and expectations. Third, the HR function suffers from structural and managerial limitation, which means that, on their own they can never provide the quality of service and contribution to individual and organisational performance that is expected from them (Megginson et al 1993). Therefore, wider organisational approach to HR is needed.

It is now common for many organisations to establish specialised departments to meet HRD needs (Megginson et al 1993). According to Megginson et al (1993) such departments overtime, become institutionalised; some have been in existence for many years and have acquired their own routines, traditions and procedures. However, some organisations still maintain more generalist HR function, where HRD is a shared responsibility or seen as the major part of one person's job. In such incidences, single officer is the only tangible expression of the centralised function; HRD is one of many competing demands on a very limited resource base, with obvious implications for the contribution this can make to the organisation. According to Megginson et al (1993) the institutionalisation of the HRD function has undoubtedly have some beneficial effects, particularly in the development of a more rational and co-ordinated approach to development.

Therefore, it is needed to understand the importance of the HR function, HRD and HR managers' role within a wider organisational framework. On the other hand, by realising the benefits that an effective HR function offers, it requires the same kind of professional management and commitment that would be expected from any other management function.

3.3. Importance of top management support for the development function

Top management support is vital for the HRD function. Many studies have claimed that top management commitment is a key to the success of MD programmes. The importance of top management involvement in the development process has been emphasised by many researchers such as Milkovich and Boudreau, (1997), Leicester (1989 as cited in Bratton and Gold, 1999), Borucki and Lafley (1984), and Holmes and Cross (1987). Hall (1984) explains the importance of top management support in the development process by stating:

"Perhaps the most important factor in ensuring that development is done strategically is the participation of top management in the process. Because top management is the strategic level of the organisation, and because top management represents the strategic business planners of the organisation, they should also be HR planners. Top management should plan and execute employee development activities. Development should not only be the responsibility of the HR function. Human resource function should act as the 3rd party and assist and/or monitor the development process, but actual development decisions and

strategies should be the responsibility of top management. When the president or chairman of an organisation meet monthly or biannually to review developmental plans, planned strategic development is actually accomplished".

(Hall 1984, p 176)

In this context, Schuler (1987) notes that without top management support and commitment to HRD the major focus of an organisation is likely to be on activities other than HRD. This is particularly true when the focus of attention is on short-term goals and immediate results, which allows too little time to wait for the benefits of HRD. Purcell (1995 as cited in Bratton and Gold, 1999), too, points out that if top management is not supporting the development effort and if financial control mode of management and short-term investment criterion dominates, there is a trend to drive-out long-term HR investment at work place and "destroy" the basis of HR as a part of the corporate strategy. Hence, if HRD is viewed as a process of long-term investment to ensure a steady supply of future senior managers, then organisations should provide encouragement, guidance and opportunities for their development. Therefore, McGregor (1960, as cited in Armstrong, 1996, p 540) wrote, "managers are grown- they are neither born nor made. The role of the company is to provide conditions favourable to faster growth". Hence, the effectiveness of HRD depends to a very large degree on the active promotion and support of the top management (Armstrong, 1996; Mumford 1997; Woodall, 2000; Megginson and Whitaker 1999).

On the other hand, the nature of top management support determines the place given to HRD in an organisation. According to Schuler (1987):

"Top management determines how effective HRD will be in organisations. If top management minimises the importance of people to the organisation's overall success, so will the line managers. This will influence the position HR strategy has in the organisational strategy. Thus, the HR function will perform only the most routine HR activities. A likely consequence will be a minimally effective human resource management"

(Schuler 1987, p 16)

In this context, top management can encourage HRD by using several means, such as, by encouraging managers to identify their own learning needs, providing feedback on both performance and achieved learning, assisting managers to see learning opportunities on the job, etc (Mumford 1997). On the other hand, Wills (1998b) mentioned several unwritten and unspoken channels that top management can use to influence the nature of the development function, such as, resources allocated for development, status given to HR managers, the frequency of development programmes are postponed or cancelled, etc.

Further, Borucki and Lafley (1984) state that the impact of HR executives in the strategy process depends mostly on the CEO's views on what the HR function can contribute to

the achievement of business plans. Furthermore, according to Milkovich and Boudreau (1997) the organisational needs analysis goes beyond simply defining goals. It must also include establishing support from top management and other key decision makers, ensuring that the organisation is prepared to support and nurture new knowledge and behaviours that development effort will create, and identify any constraints that might impede conducting HRD activities or applying it. Therefore, it is clear that HRD to be effective, it must begin from the top executives of the organisation.

Further, Devanna et al (1984) and Mumford (1997) explain that the degree of participation of HR executives in the strategy process mainly depends on the extent to which top management is willing to share decision-making through the organisation. Firms could be ranked on a continuum depending upon the degree to which they are driven by top-down as opposed to bottom-up decision-making. In a top-down organisation, the HR system centralises all key decision-making on selection, appraisal, reward, and development. A bottom-up system encourages widespread participation in these activities (Devanna et al, 1984). Kydd and Oppenheim, (1990 as cited in Bratton and Gold, 1999) also identify that in the "proactive" orientation, HR managers has a seat at the strategic table and he/she actively engage in the strategy formulation (two-way). In the "reactive" orientation, corporate and business-level strategies ultimately determine HR policies and practices. Once the business strategy is determined, without the involvement of HR professional, HR policies and practices are implemented to support the chosen competitive strategy (one-way downwards).

However, based on the survey of major US companies, Tichy et al (1984) found that both HR executives and strategic planners see a need to use more HR data in the strategy formulation. However, few have successfully carved out an appropriate role for their HR function. On the other hand, Purcell and Ahlstran (1994 as cited Bratton and Gold 1999) found the HR issues are "rarely taken into account" in the formulation of corporate strategies. Further, Downie and Coates (1994 as cited Bratton and Gold 1999) found that Canadian HR managers are often outside the decision-making circle. Further, Hall (1984) found that strategic development is at its weakest at the managerial level in many organisations. Often there is a strong commitment to the development effort at the strategy level, but there is often no attempt to "cascade down" top-level strategy in the form of objectives for HRD so that line managers are encouraged (or required) to develop their own strategies for implementing these organisation-wide objectives. The problem is that the strategy is often seen as the exclusive domain of the top level of the organisation, so that middle managers are not held accountable for strategic planning for their level. Then, in turn, managers do not hold their operational level subordinates responsible for planning a strategy at their level.

On the other hand, Fombrun, Tichy, and Devana, (1984, as cited in Fombrun 1984) point out that HR practices implicitly or explicitly create characteristic organisational cultures, and reinforce one another insofar as they support a particular culture. The significance of this to HRM is that culture is clearly to do with people and is formed by things that the HR function can influence. Therefore it can be assumed that top managers support would also be affected by the HRD efforts and would in turn help shape their attitudes (Butler, 1988 as cited in Napier, 1996). In this sense it is also true that development effort may influence top management support for HRD and may influence the amount of resources allocated for HRD programmes.

By considering all, the success of HRD effort depends upon the degree to which top management is committed to it. Though the development of subordinates has been recognised as a natural and essential part of any manager's job, the lead must come from the top.

3.4. Summary

In this chapter, literature on importance of the organisational strategy and top management support for development function was presented. The importance given to the HR function in the strategy process was presented in the light of the nature of business strategy and the HR strategy. The role that have to be played by HR managers in the strategy process is also presented when discussing importance given to the HR function in the strategy process.

It is clear that in line with the levels of organisational strategy, HR should also operate at a number of levels. Hence, the HR strategy should consist of many levels - goals, policies, plans, decisions, and programmes. The human resource strategy should describe the intentions of the organisation on what needs to be done and what needs to be changed in all aspects of HR in order to facilitate the attainment of corporate goals. Human resource policies, on the other hand, should provide guidelines for implementing the HR strategy and for carrying out HR practices, in which HRD is one of the key policy areas. Human resource development policies should express a company's commitment to the continuous development of the skills and abilities of employees in order to maximise employees' contribution and to provide them opportunities to enhance their skills, realise their potential and advance their careers. It is important that organisational strategy should drive the development process. Therefore, the importance of HR managers' role should not be undermined. They have to be active participants in the strategy process.

Top management support is vital for the HRD function. The nature of encouragement, guidance and opportunities for development received by managers to a very large degree

depends on the active promotion and support of the top management. Further, top management is capable in determining the place given to the HR function in an organisation. If top management minimises the importance, so will the line managers. On the other hand, strategic role played by HR managers in the strategy process also depends on top management views on what the HR function can contribute to the achievement of business plans and top managers willingness to share decision-making process with HR managers.

Therefore, as the organisational strategy drives the development process, a prominent place should be given to the HR function in the strategy process; top management should support the development function.

Chapter 4

Literature Review: International Business and Transfer of Management Practices: Implications for Management Development

4. 1. Introduction

Companies are continually striving to gain access to new markets and new supply sources, to capitalise on technology, to utilise assets better, to reduce manufacturing cost and to become more profitable. One of the ways that can be used to achieve such objectives is international business (Walters et al 1994). Hence, motives for forming international businesses in developing countries, the benefits they provide to local and foreign partners, and their importance at the micro and macro levels are well-documented (Yavas et al 1994; Griffith et al 2001).

Several researchers have suggested that learning is a central process in international business and they provide a platform for organisational learning, giving access to skills and capabilities of partners (Gill and Fe 1999; Makhija and Ganesh 1997; Schuler 2001). Hence, international business is perceived as a means of knowledge transfer (Child 1994; Child and Rodrigues, 1996). On the other hand, there are number of different and equally successful ways of organising management in the market economy (Chen, 1995; Whitley 1994). It is documented that when companies locate their businesses abroad, they retain and transfer their unique sets of management practices across cultures (Sparrow et al, 2000). Therefore, international businesses may not only transfer knowledge but also transfer their unique management practices. In the Sri Lankan context, international businesses operate in the export-oriented clothing manufacturing industry as wholly foreign owned and foreign/local joint ventures. Therefore, one can expect that there are significant differences in HR practices across companies of different ownership and these international businesses can influence management practices in Sri Lanka.

Therefore, this chapter is devoted to the review of literature on the importance of learning in international business, and to describe implications for the transfer of management practices. Hence, in the section 4.2 the importance of learning in international business is presented while in section 4.3 international differences and transfer of management practices is presented.

4.2. Learning in international business

Since the importance of international businesses have been increasing as a way of organisations to expand internationally, the need of utilising valued scarce resources wisely is also likely to increase indicating that quality of HRM is critical (Schuler 2001; Sparrow et al 2000). According to Duerr (1986), success as global players has been seen increasingly as dependent upon HRM: "...virtually any type of international problem, in the final analysis, is either created by people or must be solved by people. Hence, having the right people in the right place at the right time emerges as the key to a company's international growth" (Duerr, 1986, as cited in Sparrow et al 2000, p43). Therefore, effective use of available HR in a volatile business environment is particularly critical for the success of any such operation. There is a significant level of interaction among employees from the joint venture (collaborated) firms. Therefore, international business partners need to take utmost care in dealing with HR issues (As-Saber et al 1998) as it has impact on several organisations and in several societal contexts (Schuler 2001).

With the increase in joint ventures between international partners, the importance of organisational skills and learning is emerging to manage those relationships. As wellbeing of the joint ventures depend on the skills of managers at every level, who have to deal with a vast amount of complexities in day-to-day operational matters (Haigh 1992), the importance of HRD as a component of HRM is increasing. According to Yavas et al (1994), problems in international joint ventures are often exacerbated by the lack of trained and experienced local managers in developing countries. Several researchers have suggested that international businesses may have a primary goal of learning from partners, because international businesses provide a platform for organisational learning, giving access to skills and capabilities of the partners (Gil and Fe 1999).

Knowledge creation and transfer in international business has been recognised as a key competitive advantage (Inkpen and Dinur 1998). As Parkhe (1991), Pucik (1988), and Child and Faulkner (1998) describe, learning, knowledge flow, sharing, and transfer are crucial to the attainment of success of the international business itself (as in Schuler 2001). Yet, it is clear that learning, knowledge sharing and transfer can be planned and managed. Human resource systems can play an important role in facilitating or hindering the process and environment for these purposes (Schuler 2001). Hence, learning is a central process in international business (Makhija and Ganesh 1997); their control mechanisms directly impact on learning process (Schuler 2001).

Learning in international business is perceived as a means of knowledge transfer (Child 1994; Child and Rodrigues, 1996) and gaining collaborative know-how and collective experience (Hemel 1991; Simonin and Helleloid, 1993 as in Inkpen and Dinur 1998).

However, in international businesses formed between developing countries and developed countries, learning is largely a one-way process. In Chinese-Western joint ventures, while transfer of technology know-how has been generally smooth, the transfer of western management practices has been confronted with resistance from local employees. One reason has been that learning is often dominated by the rational drive to achieve organisational effectiveness without sufficient attention to mutual understanding.

In studying joint venture management in China, Child (1994) identifies three types of learning and change (Liu and Vince 1999). The first level is the technical, which involves the acquisition and implementation of new techniques such as total quality management and market forecasting. This level is seen as the lower level of learning. The second level is the systematic, which refers to the introduction of and operation of new systems and procedures, such as production control and budgeting systems. The third level is the strategic, which concerns the mindsets of senior managers, their criteria of business success and their understanding of significant factors for achieving the success. According to Child, learning as strategic understanding is most important in the Chinese context (Liu and Vince 1999).

Inkpen and Dinur (1998), on the other hand, identify two types of organisational knowledge, namely tacit knowledge and explicit knowledge. Individuals create knowledge, but organisations can create a context for individuals to create and amplify knowledge (Nonaka and Takeuchi 1995, as cited in Lyles and Salk 1996). The knowledge acquired can be grafted to take root into the international business organisation via socialisation, internalisation, and by combining different types of explicit knowledge to create new knowledge that is useful in the international business context (Nonaka 1994; Nonaka and Takeuchi 1995 as cited in Lyles and Salk 1996). The development of local employees can be seen as a vehicle for transmitting informational content (explicit knowledge) and socially embedded information (Nonaka 1994, as cited in Lyles and Salk 1996). Nonaka and Takeuchi (1995) argue that a key challenge for organisations is the conversion of tacit knowledge to explicit knowledge. Knowledge that is tacit and highly personal has little value until it is converted into explicit knowledge that other organisational members can share. According to Spender (1996) individuals constantly acquire knowledge, share it with their organisational community, and thus increase the collective store of knowledge, while maintaining a common individual knowledge with their co-workers (Inkpen and Dinur 1998). In line with this, Cohen and Levinthal (1994 as in Gupta and Misra 2000) suggest that whatever the activity in which international businesses are engaged in, they should learn from experience, such that learning will facilitate new learning and the application of new knowledge (Gupta and Misra 2000). In a similar vein, Collis (1996 as in Gupta and Misra 2000) argues that specialised organisational learning can not be easily imitated and can, therefore, be a source of value

to the firm (as in Gupta and Misra 2000). Further, the role of top managers is also important in acquiring knowledge (Lyles and Salk 1996). Top management, including international businesses' general managers, play an important role in defining self-identity and in building knowledge structures (Huber 1991; von Krogh et al 1994, as cited in Lyles and Salk 1996).

Apart from such knowledge transfer, international businesses have their own unique set of management practices. Hence, while companies can learn the process of forming and maintaining an international business, they can also learn about the international business partners' management practices. Therefore in the next section, differences in management practices and the transfer of such practices into host countries are discussed.

4.3. International differences and transfer of management practices

The institutional argument against globalisation and business integration reveals that there are number of different and equally successful ways of organising management in the market economy. These different patterns tend to be products of particular institutional environments within the various nation states. Hence, different national business recipes carry with them their own guides to management practice, which are reflected in specific management structures, styles and decision-making processes, etc (Hofstede, 1993). As the management of HR is seen increasingly in terms of competitive advantage, and as many companies operate globally, one of the questions that arise relating to HR and competitive advantage is that do companies from different parts of the globe practice HRM differently? (Sparrow et al 2000, p42). Management is something done by people to people. It is a human rather than a technical process (Hofstede 1993). Therefore, MD should take into account differences in management practices in different parts of the globe. Another important aspect which needs to be addressed is that to what extent are theories developed in the western industrial world applicable elsewhere? (Hofstede 1993, p133).

According to researchers, in widening a firm's strategic focus beyond the confines of its national boundaries, the human element becomes paramount (Bournois and Metcalfe 1991). However, though attention has been devoted to the international comparisons of production systems and management strategies for many years, the comparison of people management systems has until recently been overlooked (Sparrow et al 2000). Therefore, in the global arena the importance of the issue has been increasing.

Universal applicability and transferability of management practices

Western management theory and practice that originated in the US held sway for many decades (Mendoza 1977; Wijewardena and Wimalasiri 1996). The proponents of the western system believed that the "principles" of management used by the Americans with success are universally applicable and that they are transferable with some senior "fine-tuning" from country to country and from one organisational type to another (Mendoza 1977). Consequently, many countries including Japan and most of the other nations in the Asian region learned management theory and practice mostly from the US.

In the 60s and 70s, however, doubts were cast on the universal applicability of western management practices, and many writers in the 80s and 90s have adverted to different ways of managing business organisations in Japan. They have shown that the Japanese by modifying the western techniques have developed different, yet effective, system of management (Wijewardena and Wimalasiri 1996). On the other hand, two general premises have been raised due to the increasing success of Japanese overseas operations. Those are whether distinctive Japanese business practices can be exportable, and whether Japanese world-wide success is based on unique Japanese customs and experience that cannot be successfully exported to other countries (Lee and Alston 1990). The latter position also assumes that the Japanese themselves may not be able to export Japanese-style business practices successfully. Hence, Japanese have to adapt to host country business customs if they wish to continue to be successful worldwide (Lee and Alston 1990; Dunphy 1993).

Those changes in the belief now prompts a re-examination of the premise, the long-held conviction that the "principles" of management discovered by the West are universally applicable (Mendoza 1977). International comparisons provide opportunities to investigate how principles and practices apply in different contexts. Consequently, what may be a "principle" in the west is not necessarily a principle elsewhere (Mendoza 1977). The development and success of specific managerial structures and practices (such as HRM) can only be explained by giving due cognisance to various institutional contexts worldwide. Hence, according to researchers long and arduous process of looking at concrete managerial situations in the Asian context can not be bypassed (Mendoza 1977).

Napier and Albert (1993) identified differences in strategic thinking between West and Asia, and between Asian countries. Such differences can not be excluded when considering the universal applicability of management practices. According to Napier and Albert (1993), from the American perspective, seeing the whole rather than seeing just the parts involves looking at a situation or problem with detachment to understand how it fits into a larger context. Therefore, "seeing the whole" is referred to seen their

organisations as the whole. However, from the Asian perspective, seeing "the whole" is not limited to the firm, they look at it from a macro viewpoint, for example, a perspective of what is best for the country. As invisible planning in Hong Kong actually allows business owners to integrate many relevant personal and institutional elements, the Korean hybrid, with elements of Japanese style consultation, permits the owners to orchestrate internal accord consistent with government and economic priorities (Napier and Albert 1993). On the other hand, based on Napier and Albert's (1993) experience, the dramatic economic growth in some countries, such as South Korea, may lead managers to conclude that there is relatively little need to think strategically at the company level, since much of their economic success stems from how well they respond to the national level economic strategies. If certain industry is targeted as the one in which the country can or should compete internationally, that may thrive regardless of whether senior managers think strategically. In the Japanese context, Kono's (1976) comparison of the Japanese and the US approaches to long-range planning showed that variations in national practices are rational adaptations of different economic environments. Managers of Japanese organisations adopted western strategic techniques, but they used these techniques to evolve organisational strengths, which reflected Japanese rather than western business priorities (Dunphy 1993). Therefore, different national business recipes carry with them a "dominant logic of action" that guides management practices. This logic of action is reflected in specific management structures, styles and decision-making processes, growth and diversification strategies, inter-company market relationships and market development (Hofstede, 1993). Hence, different management practices of different Asian business recipes have to be looked into.

Researchers have identified several differences in management practices across Asian countries. Therefore in the following paragraphs an attempt has been made to discuss the Asian perspective of management.

Asian management practices and differences

Asia being the largest of all continents, the Asian manager comes from six main geographical areas, namely, South West Asia, East Asia, South East Asia, Soviet Asia, and Central Asia. (Embree, 1987 as cited in Wijewardena and Wimalasiri 1996). Following the Japanese success, several Asian economies, such as Hong Kong, Taiwan, South Korea, Singapore, Malaysia, Thailand, India, Indonesia and China, during the last three decades, have undergone rapid economic transformation (Wijewardena and Wimalasiri 1996). In most of the studies, however, researchers have used the Japanese management as the symbol of Asian management style, assuming that the Japanese system of doing things is the same as that of other countries in the Asian region. Although there are many similarities, there are several features that make other Asians different

from that of Japanese. It is in respect of these distinctive features that the Asian management differs from both the American and the Japanese (Wijewardena and Wimalasiri 1996). Further according to Whitley (1994), in contrasting western societies with East Asian ones, he suggests that the former are both more internally differentiated and less sharply different from each other than the latter.

Chen (1995) describes three dominant systems of Asian management practices - Japanese, South Korean and overseas Chinese. These management structures bring in components of economic behaviour that has emerged as a distinct response to its circumstances; they are embedded in the cultures and development histories of their societies (Morden and Bowles 1998). The characteristics of these three systems are briefly dealt with in the following paragraphs.

Japanese HRM has garnered a significant degree of attention from the West in recent years. With the relative rise in the economic fortunes of Japanese companies, a number of researchers have pointed the Japanese-style HRM as a source of competitive advantage for Japanese firms. Researchers note that Japanese organisations put primary focus on three principal HRM strategies: internal labour market; company philosophy that expresses concerns for employee needs; emphasis on co-operation and teamwork in a unique company environment. These three Japanese HRM strategies are expressed through specific management techniques such as open communication, HRD strategies, appraisal system, emphasis on work groups, consultative decision-making, and concern for employees. In addition, Japanese firms use careful screening of job candidates so that new employees' qualifications fit with the value system and the corporate culture of the business firm. However, what specific practices constitute Japanese-style management is open to some debate. But, researchers have included the practices of job rotation, seniority-based wages, long-term employment, implicit performance evaluation, hiring of fresh graduates who are given extensive development opportunities and socialisation into the company, team-based employee activities, and consensus-style decision-making as some of the distinguishable Japanese management practices (Beechler and Yang 1994; Paik and Sohn 1998; Lux 1997; Thanopoulos and Leonard 1996; Taylor 2001).

As mentioned in chapter 2, Japanese companies use extensive development activities to develop their employees, including managers. According to writers, Japanese family develops highly disciplined individual members who became obligated to fulfil the group's purposes. Just as the family provides a lifetime of association, Japan's successful major corporations have provided life-long association through employment for their professional and managerial employees (Schmidt 1996). Professional, technical, and managerial employees are hired at the entry level so that all employees can be developed in the corporate way of doing business. This requires companies to spend a

substantial amount of time and money in developing new hires. But because the corporation replaced the parents as the all-encompassing support group for the new college graduate employee, it is extremely important to build a group cohesiveness and interdependency within the corporate employees. A series of decade-long corporate staff development programmes emphasise the corporate culture until it became clearly understood by all (Schmidt 1996). Though recent literature suggests changes in Japanese business environment, these original Japanese characteristics of management practices are the interests of researchers in looking into transfer of Japanese-style HRM practices overseas.

When considering South Korean management practices, though it represents one of the world's most homogeneous countries, both racially and culturally, Chen (1995) notes that the Korean management system has three major sources of influence, namely, Confucianism, Japanese and American influences. When considering Korean working practices and relations, an outstanding organisational feature of the Korean companies is that they attach great importance to functional specialisation, such as planning, finance, and HR. The organisational structure of many South Korean companies has been characterised by high degree of formalisation and centralisation (Chen 1995). Therefore, many Korean companies have combined organisational structure placing the vertical concentration of decision-making power at the senior levels of management, and the horizontal concentration of functional control in staff departments. Further, 80 per cent of the authority lies with the upper management level, where middle or lower level management have very limited authority. The decisions made by superiors are rarely challenged, at least in public, and are almost always accepted without question (Morden and Bowles 1998; Paik and Sohn 1998). Though superiors in Korea reciprocate respect from their subordinates by demonstrating substantial paternalism or empathy (Paik and Sohn 1998), in general Korean corporations have never had the sense of managerial paternalism that exists in Japan (Morden and Bowles 1998). Given the character of the traditional management style described above, formal communication is mainly achieved along vertical hierarchies (Morden and Bowles 1998; Chen 1995). In this vertical communication process, superiors expect to give directives while subordinates expect to understand and implement those directives (Morden and Bowles 1998). However, good personal relations with superiors tend to help overcome hierarchical barriers to the subordinates' communication with them (Chen 1995).

In Korean organisations, there is traditional respect for authority, seniority, and job status. Seniority-based HRM maintains standards for regulating status within the structure of the company; do not follow predefined properties of the job but rather are based on the personal profile of each individual. Under this structure, the HRM system gives more weight to personal attributes, such as academic achievement, length of service, and

gender than to the content of a job or the degree of responsibility assumed by the individual employee (Paik and Sohn 1998). The seniority-based system has been invaluable in creating and maintaining organisational stability and in facilitating organisational learning. Development is seen as an integral part of the business activity (Morden and Bowles 1998). The reward and promotion system in South Korean companies is traditionally based on the seniority, but performance is becoming an increasingly important factor. Fukuyama (1995) suggests, however, that forms of communal solidarity that permeate the Japanese corporations tend to be less developed in South Korean ones. For example, the rate of employee turnover, the raiding of other companies' skilled labour, and the incidences of employee unrest and industrial action, are all higher in Korea than in Japan (Morden and Bowles 1998).

These Japanese and South Korean business systems neither compares with the combined economies and combined populations of "other" Asian countries. The influence of the most aggressive elements of these "other" Asian business communities, the Overseas Chinese and Overseas Indian Networks, cannot help to be felt on Western management practice. In these Asian business communities- the Overseas Chinese and Overseas Indian Networks, Haley and Tan (1999) identify several elements in business practices. In these Asian communities, culture, education and environment have resulted in a strategic planning process that is very different from that of the West (Haley and Tan 1999). The studies by Ghosh and Chan (1994) in Singapore and Malaysia came to the same conclusion, i.e., planning activities to be ad-hoc and reactive (Haley and Tan 1999). When sequential information and hard data contribute little to the relevance or consequence of a decision, and in fact are simply non-existent, it is important to understand Asia's holistic/intuitive decision-making.

Drawing from the studies of Asian executives, by Haley and Tan (1996) and Haley and Haley (1997) posit several common characteristics of the Asian decision-making. Those are hands-on experience, the transfer of knowledge, qualitative information, holistic information processing and Action-driven decision-making (Haley and Tan 1999). First, to make decisions quickly, without detailed analyses of hard data, managers must be hands-on, and know the product, market, business environment and industry first hand. Consequently, many senior Asian businessmen remain active in all aspects of their businesses. This level of involvement is necessary to make the right decisions without data support (Haley and Tan 1999). Second, Asian companies often diversify into totally different, non-core businesses. For executives to succeed in industries where they have no prior experience, they must be able to generalise from past experience and to apply those generalisations in the new context. The ability to use knowledge to tackle new problems in different situations involves conceptualisation skills different from analytical skills. Successful Asian executives able to see the big picture and to sense intuitively

winners from losers. Third, Asian executives often process myriad bits of information and consider several alternatives in depth in making strategic decisions. However, Asian executives are less likely to seek published data. They use qualitative, even subjective information supplied by friends, business associates, government officials, and others whose judgement and character they trust. Fourth, in an informational void situation, conventional analytical problem solving that stresses sequential, systematic, and step-by-step approach is likely to be unworkable. In the experience-based intuitive model, managers take a general approach to problems, define parameters intuitively, and explore solutions holistically. Such an approach resembles the Asian thinking and learning processes. Finally, speed constitutes a key characteristic of decision-making in these Asian businesses. One aspect of the Overseas Chinese and Indian firms is that they can make decisions blazingly fast, unlike Japanese firms; it is one of their key competitive advantages. Executives often make key decisions without consulting anyone. Long debates and committee meetings rarely occur. The Asian decision-making model reflects authoritative management. However, unlike many other networks around the world, an individual's acceptance within an Overseas Chinese network is flexible (Haley and Tan 1999).

These distinctive characteristics of the Japanese, Korean and Chinese businesses developed from and continue to be effective in particular institutional environments. The connections between distinctive forms of business organisations and dominant institutions, however, reflect certain common features of Asian industrialisation and societies, which are not to be found to the same degree elsewhere (Whitley 1994). The relatively high level of ethnic and cultural homogeneity within these countries and the heterogeneity between them on many dimensions have generated strongly distinctive types of business systems, which can be directly related to particular institutional features of the nation states. In contrast, the greater institutional pluralism within countries, and the institutional commonalities across them, found in western Europe and North America have reduced both the distinctiveness of national business systems in the west and their explanations in terms of national divergent institutions (Whitley 1994).

When considering the systematic nature of management practices, Western approach rests heavily on scientific management with respect to the use of systematic, usually formalised, practices. According to Child (1993), China had an injection of scientific management under the influence of Russian experts along the North East of the country. Formalisation in "western" terms implies written, systematic and regularly applied rules and procedures. However, there are several areas such as communication, HR policies, and foreign quality standards in which a contrast in systematisation arises. Foreign quality standards, for instance, are normally precise and fixed. Disagreements on the precision

of quantification also arise over aspects such as delivery dates, other deadlines and costing. These differences in approach frequently give rise to the complaint that Chinese management is unsystematic and not geared towards performance (Child 1993).

With regard to HR policies, differences between Western and Chinese HR practises appeared in a number of areas (Child 1993). Human resource policies represent the greatest concentration of power by the Chinese authorities over their employees. The role that had been developed for HR departments in the Chinese organisations is one geared towards control and ensuring conformity. For instance, Chinese organisations also favour job descriptions. These are not, however, used as a guide to action and a basis for assessing performance so much as devices to protect job holders from having to perform personally risky tasks that can be argued to fall outside the strict limits of their jobs (Child 1993). These clearly contrasts with the concept that HR department exists to provide a service to management through assisting selection, development, assessment, motivation and the organisation of employees with their contribution to effectiveness of the organisation in mind (Child 1993). Therefore, it is viewed that Chinese policies are rarely systematic either in content or in their regularity.

Further, when considering the systematic nature of the Korean management practices, according to Yoo and Lee (1993), Korean corporations adopted uniform development systems for all employees using on the job methods and experts' lectures. However development programmes were not at all uniform or systematic. They did not closely relate to job assignment, job rotation, and promotion. Thus, employees did not devote themselves to pursuing new knowledge during the development period. Naturally, maximum effectiveness of the development programme is not to be expected. Job rotation in Korean corporations was usually done in ad-hoc-basis. Performance evaluation places emphasis on past achievements.

On the other hand, several researchers had observed that Japanese system of MD is more systematic (Ishizaka 1996; Ishizaka 1996; Handy 1987; Storey et al 1997). According to Storey et al (1997), paradoxically, the Japanese development system can still be described as centre-led and relatively uniform; the Japanese, however, do it seriously and deliberately (Storey et al 1997). Management development in Japan had been reported to occur largely through on-the-job development, off-the-job-development and self-development, which are the three main components of the total in-company development system (Storey et al 1997; Okazaki-Ward and Amaya 1996). As already mentioned in chapter 2, the surveys conducted in Japan have continually referred that those company level development systems are more systematised and structured. Further, studies had indicated that much more thought had been given in designing,

implementing and evaluating those programmes by superiors and educators within the firm (Handy 1987; Storey et al 1997).

In the case of Thailand, too, Kamoche (2000) identified development effort as a well-planned and systematic function. In the case of India and Thailand, Lawler et al (1995) state that the British colonial system created bureaucratic practices that persisted after independence and would be anticipated to introduce many elements of relatively rationalised and systematic HRM system (influences of the colonial period is dealt with later in this chapter).

Therefore, though companies from different countries of origin have their unique system of management practices, somehow or other they all familiar with systematic concepts. When comparing MD practices of different countries of the globe that are presented in chapters 2 and 5, it can be noted that differences in the content are more apparent than differences in the process. Therefore, in the Sri Lankan context, it can be expected that export-oriented clothing manufacturing companies of different ownership can bring their own MD systems with their distinguishable systematic features. As host country business partners can learn from their joint venture partners, in consequence, these companies may have an impact on changes in HR practices in Sri Lankan enterprises.

On the other hand, literature provides evidence that foreign companies sometimes find difficulties in transferring their own systems of management to host countries. Hence, in the next section transferability of distinctive management practices is looked into.

Transferability of different distinctive management practices

As companies continue to globalise, they face growing challenges in managing personnel with different cultural and behavioural backgrounds for whom their home country management practices may not be applicable (Paik and Sohn 1998; Naylor 2000). Therefore, it becomes more and more important to discover whether the specificities of their managerial systems are systematically and coherently transferable into different cultural settings. Therefore, in the following sections, transferability of such practices to overseas is discussed under three subheadings, i.e., transferability of management practices from Japanese/Asians to West, transferability of management practices within the Asian region, and transferability of practices to countries that had been held as colonies.

Transferability of different distinctive management practices- Japanese/Asians in the west

As explained earlier, Asian businesses have unique sets of management practices. However, the ability to transfer these characteristics overseas has been the object of much scholarly and popular debate. The researches give evidence to transfer of Japanese practices to Western/non-Asian countries. According to Abdullah and Keenoy (1995), once a Japanese company decides to invest abroad, by definition, something Japanese is being transferred. At a minimum, virtually in all cases, Japanese capital, Japanese production technology and Japanese business skills are transferred: these are more or less essential for the initial investment objectives to be pursued. Other than Japanese, other-Asian countries such as South Korea, have also established manufacturing and service operations in the west (Morden and Bowles 1998). Therefore, in this section transferability of Asian management systems to the west is discussed.

According to Paik and Sohn (1998), in the context of South Koreans in Mexico, the major organisational characteristics of Korean companies can be summed up fairly clearly in relation to Mexican workers. Expectation of a high work ethic and unrelenting dedication to work tend to breed results-oriented and job-centred work environment in Korean companies resulting high turnover rates for Mexican workers, who tend to mix their personal lives with their jobs. Moreover, the top-down approach to decision-making, excluding local managers' participation, tends to create tight and normative cultures in which major attention is given to rules and procedures. This requires the sacrifice of individualism and reinforces corporate goal-congruent behaviour on the part of the Mexican work force. Finally, seniority-based career advancement also appears to be one of the main sources of problems in managing Mexican workers, who tend to place a higher value on individual performance and connection. However, fostering personal relationships based on strong paternalism seems to compensate for some of the drawbacks of the work-centred organisational cultures of Korean companies. Therefore, in deciding whether and how these practices should be transferred overseas, despite some cultural similarities, the findings of their study highlighted large cultural distance between Korea and Mexico. Therefore, the findings of their study reveals that Korean companies need to develop a management approach that fits the lifestyle and behaviour of Mexican workers by taking advantages of the distinctiveness of the local environment.

On the other hand, Cunningham et al (1996), Humphrey (1995) and Basu and Miroshnik (1999) provide evidence to successful transfer of Japanese manufacturing methods and techniques, such as kaizen, total quality control to western countries. In the UK context, Basu and Miroshnik (1999) found that Japanese companies in the UK have tried to maintain their own management styles despite differences, and have succeeded in many ways. Their study highlighted that Japanese companies managed to influence

several other non-Japanese UK companies with Japanese management practices. In line with this Dunphy (1993) states that non-Japanese firms in Japan and abroad could be converging towards the Japanese model, as suggested by Ouchi (1981) that some western firms had revised manufacturing practices towards the Japanese model. However, in the case of transferring Japanese style HR practices, much of the evidence does not support transfer of such practices. According to Kennly and Florida (1995), most of the Japanese electronics transplants in the USA had not transferred Japanese style industrial relations; these firms seemed to be content to accept many of the prevailing US practices. They found that it is possible to transfer Japanese style relations only where Japanese managers make a considered and sustained effort to implant their system. However, in many electronics operations it appeared as Japanese managers never seriously attempted to implement the Japanese system. Therefore, it seems that the record of transfer is mixed.

On the other hand, most of the Japanese firms had not tried to fully replicate their practices in western economies (Naylor 2000). There were instances where basic features of the Japanese-style management system cannot be transplanted in the West as in the same way that it is implemented in Japan (Basu and Miroshnik 1999). So, companies have to change the original Japanese practices to suite specific country contexts. Further, according to Naylor (2000), joint ventures used fewer Japanese practices than the wholly owned Japanese ones, but they also did less well. It had been noted that some practices such as, expectations of life-long service, devotion to the firm, and collective responsibility have not transferred at all (Naylor 2000). These show that Japanese management practices mirror Japanese environment to such an extent that it is almost impossible to adopt those management and employment systems to their foreign subsidiaries. On the other hand, Naylor (2000) states that some Japanese companies are more successful when they combine Japanese practices with host country practices. According to Dunphy (1993), too, Japanese overseas operations vary in the extent to which they maintained Japanese HR practices, but there was a marked shift to adapt to host country practices. When operating in abroad, Japanese managers prefer familiar HR practices but modify their behaviour overtime, as they become aware that only some practices are compatible in the host country environment. Vestigial remnants of Japanese company culture are those which are culturally compatible and which ensure flexibility of operations, employee commitment, or control by the parent company. Therefore, HR practices that are part of an overall system of management may need to be adapted or modified if they are to be successful outside the Japanese industrial environment. However, in general, it seems to indicate that organisational forms can be effectively lifted from an original supportive context and transferred to a foreign environment to some extent.

Therefore, many researchers found that Japanese manufacturers have been able to transfer most of the central features of the system with some adaptation (Kennly and Florida 1995; Naylor 2000). When understanding the application of Japanese management practices in non-Japanese countries, Young found that three strategies have been used to introduce Japanese management practices into the USA (Cunningham et al 1996). These are 1) maintenance of such practices as carried out in Japan, but accompanied by modifications of features of the American work environment; 2) modification of Japanese practices, but maintenance of the current features of the US work environment; 3) modification of some or all of the Japanese practices, as well as the current features of the US environment. These modifications in application reveal that Japanese management is intensifying its efforts to modify its practices and ideologies and at the same time to evolve some practices that are both different to Japanese and to the host country.

Overall, though countries have developed distinctive characteristics, in what ways they are different and whether these differences are disappearing have been debated continuously (Dunphy 1993). When considering the exportability of management practices, in the Japanese context, Murano and Tomb (1974 as in Dunphy 1993) argued that the peculiarly Japanese management practices would enhance the acceptability of Japanese enterprises in host countries and would ensure the success of their operations. By contrast, Yamazaki, Kobayashi, and Doi (1977) argue that the differences are only transitional for Japanese type multinational enterprises, and that these would converge towards western type multinationals (as in Dunphy 1993). Further, Yoshino (1975) also question whether the international divisions of Japanese companies can develop a system more relevant to other countries. Thus, the differences that can be found concerning Japanese multinationals and American European multinationals may decrease as Japanese find that the Japanese type of management are often inappropriate outside the national borders; may become more "international" in their organisational pattern and behaviour (Lee and Alston 1990; Pang and Oliver 1988). This seemed to indicate the immediacy of a massive convergence to western practice as Veblen (1954) argued that as countries modernise, their organisational structures and value systems inevitably converge (as in Dunphy 1993). Therefore, in what ways management practices differ and whether those differences are disappearing have been debated continuously.

Transferability of management practices within the Asian region is discussed in the following section in the light of the transferability of Asian practices to the West.

Transferability of different distinctive management practices- within Asian region

While there has been considerable scholarship concerning transferability of management practices in the context of Europe and America, considerably less attention has been paid to Asian countries (Taylor 2001; Cunningham et al 1996).

According to writers, Japan's greatest influence was to be in East Asia, where countries such as South Korea, Taiwan, and Singapore were using Japan as an economic development model (Hicks & Reading, undated, 1982, as in Dunphy 1993). When considering the exportability of management practices in the East Asian context, Hutchings (1996) suggests that though there are broad legislative similarities between the countries, differing political, cultural and social concerns create quite different conditions for employee practices within multinational companies. Further, Kirkbride and Tang (1994) argue, based on their experience with the transference of quality circles from Japan to supposedly similar "oriental" and "Confucian" heritage of Hong Kong, that attempts to transfer managerial practices directly from one country to another is likely to end in failure, even within the Asian region.

However, Cunningham et al (1996), in the context of implementing Japanese management practices in Singapore, found that companies successfully sought to modify features of the Singaporean environment to suit Japanese manufacturing methods, though they were forced to make some concessions to local conditions. Further, they observed trends in non-Japanese companies in Singapore seeking to adopt Japanese manufacturing techniques. Though it was appeared that companies overall fitted best into the category of maintenance of Japanese manufacturing practices and attempts to modify the features of the Singaporean environment, in respect of behavioural practices there clearly were some problems based on the more individualistic nature of Singaporean workers (Cunningham et al 1996). However, companies sought to overcome these problems through development rather than selection, apparently with some success (Cunningham et al 1996). This shows that foreign companies can use development programmes to transfer their management practices abroad.

On the other hand, despite arguments about cultural similarities between Japan and China that tend to identify transfer of Japanese management practices to China as easier as such transfer to western countries, Taylor (2001) found that the transfer of management practices to Japanese plants in China was generally low. Specifically, Taylor (2001) found that HR practices were generally not transferred from Japan to the plants in China. Further, practices that may appear as Japanese inspired were often informed by local practices; there was diversity in the forms of practices used, indicating neither sophistication nor a singular recipe of management methods. Depending on a complex interrelation between the location and the industry of each plant, managers sought to use various local and "universal" (generic to capitalism) strategies and practices

to control and utilise labour (Taylor 2001). Therefore, transferability of management practices proven to be mixed.

In the following section, transferability of management practices to countries that had been held as colonies is looked into.

Transferability of management practises to countries that had been held as colonies

Most of the countries in Asia had been under Western rule (particularly the British) for several centuries; it is evident that colonialism had harmful effects on their indigenous practices of management (Wijewardena and Wimalasiri 1996). For more than 200 years, the Western powers that colonised these countries maintained their supremacy in administration, industry and commerce. In the case of Brunei, Richards (1993, p368) states "...we find organisations reproduced western models of management adhered to certain values that have little to do with the organisations in which they are found and some other values which have little to do with most of the members of the organisation, having been imported along with the organisational model...". According to Richards (1993, p370), Brunei cannot have policies designed to limit cultural change alongside policies designed to encourage rapid technological and educational advancement. Since the purpose of management development in such a context is probably the modification of deep-seated cultural values and beliefs, vehicles for change should be tested and re-conceptualised according to the best of local traditions. This is much more important than in the circumstances where the purpose of MD is primarily skill or knowledge transfer.

In the case of Malaysia, too, after regaining independence from British rule, to address economic growth and industrialisation, governments have adopted strategies to attract foreign investment and modern technology. In response, foreign companies came to Malaysia in increasing numbers (Abdullah and Keenoy 1995). Consequently, it is by no means easy to identify with confidence which additional features of the Japanese management have been transferred to the Malaysian operations. According to Abdullah and Keenoy (1995), there was no commitment to lifetime employment, yet companies had successfully pursued a "no retrenchments" policy by deliberately under-manning and relying upon turnover. Further, the majority of employees did not have prospects of a "career" which is in any way comparable to that notion for employees in Japan. In contrast, attempts to build the company into a "community" were reflected in the provision of a derivative range of integrative employment practices and welfare benefits (Abdullah and Keenoy 1995). Hence, like in Brunei, the global competitive environment seems to play far more significant role in employee relations policy choices than the "home practices" of the Japanese corporations. Their preferred managerial styles have been tailored to meet business objectives conditioned by the local economic, political and legal contexts and socio-cultural values of the host countries.

By considering the experiences of countries that had been once held as colonies, in particular British colonies, the findings indicate that the issue of transferability must be examined in the specific historical and industrial contexts. Therefore, being under the British colonial rule for several centuries, an attempt is made in the present study to look into the transfer of management practices to Sri Lanka.

Transferability of management systems- institutional specificity and variability of business systems

As Abdullah and Keenoy (1995) note, once a foreign company invests abroad, by definition, something is being transferred. However, the dispute over transferability tends to focus on the extent to which the managerial methods employed to achieve those objectives match the "home" practices. Therefore, building on previous theory and empirical evidence, researchers have identified several organisational and environmental factors that influence the HRM systems of foreign subsidiaries (Beechler and Yang 1994; Naylor 2000).

For example, Beechler and Yang (1994) identified such factors, in the context of the Japanese in the USA, as labour market characteristics at the individual-level and the subsidiary-level and supportive local government policies. According to them, the individual-level characteristics of the local workforce influence HRM practices that can be implemented in the subsidiary. Japanese companies find it easier to transfer Japanese-style HRM practices to their overseas subsidiaries when the local workforce is homogeneous, rather than heterogeneous because Japanese management relies on a uniform, group-oriented implementation strategy. Further, high annual employee turnover rates discourage Japanese companies from transferring Japanese-style HRM practices. In addition to the individual-level characteristics, the subsidiary-level characteristics can either encourage or constrain the transfer of Japanese HRM practices to the USA, such as unionism. Rigid union rules can prevent subsidiaries from using flexible work rules, on-the-job development activities, quality circles, and other HRM practices that have reportedly practised in Japan. Further, a favourable local environment in terms of low turnover rates and supportive local government policies provide opportunities for Japanese plants to design and execute sophisticated HRD practices and offer long-term employment opportunities, where such HRD efforts only pay off with relatively low levels of turnover. Therefore, Beechler and Yang's (1994) study emphasises the role of several contingency variables in shaping the HRM practices that are transferred to Japanese subsidiaries in the US; the importance of local environmental and subsidiary characteristics in constraining transfer.

The examples like above emphasise that variations in business systems could work as constraints in transferring management practices. In considering variations across

business systems and how they can be explained, a number of studies have identified significant differences between forms of business organisations across countries, which have been attributed to institutional variations (Whitley 1994). Connections between particular configurations of hierarchy-market relations in western countries and the institutional contexts in which they are developed and continue to function, raise a number of questions about cohesion and integration of business systems, how they are to be identified and explained, and how they change. A further issue raised by this analysis is the transferability of managerial technologies between institutional contexts and what effect, if any, the increasing internationalisation of some markets and firms are having upon the institutional specificity of national business systems (Whitley 1994).

On the other hand, Many interconnections between business system characteristics depend on the value of others with which they are also interdependent, as well as depending on particular features of their institutional context (Whitley 1994). The interdependence between social institutions and business systems has generated considerable heterogeneity of managerial practices and structures in East Asia. However, the degree of institutional cohesion and integration of business system characteristics do vary considerably across countries and regions, and these variations mean that the impact of multinational firms on business systems differs across institutional contexts, as does the transferability of managerial techniques (Whitley 1994).

Therefore, the institutional specificity and variability of business systems implies that multinational firms from different societies follow distinctive practices, which govern how they set up and manage foreign operations. Thus, many multinational firms display significant differences in their organisational structures, control and planning systems and managerial career structures, depending on their originating country. For example, it can be expected that international businesses operating in Sri Lanka also display their distinctive HR practices. However, the impact of these differences on the development of business systems in "host" countries, and in particular the ability of multinationals to transplant domestic practices to overseas subsidiaries and establish them successfully there, depend on several aspects. Whitley (1994) identify three such aspects. These aspects are homogeneity and cohesion of business system characteristics in the originating economy; homogeneity and cohesion of institutions and business systems in the host economies; relative strength of the multinational firms in particular host economies and of the local institutions most related to particular procedures and characteristics.

Whitley (1994) argued that the impact of multinational firms on host business systems is severely constrained by the homogeneity and cohesion of business system characteristics in the originating economy. It can be expected that firms from highly

cohesive and homogeneous societies have generated distinctive and integrated business systems to export their successful ways of operating, and to follow a standard set of practices in all subsidiaries (Whitley 1994). Further, more a particular business system is integrated and its characteristics are mutually reinforcing, more similar are firms and their practices in that system and more difficult will they find it to alter established procedures and rationalities. Thus, they are less likely to adopt novel practices in foreign subsidiaries.

Whitley (1994) also argued that the above mentioned tendency could be modified by the cohesion and consistency of market institutions in host economies (Whitley 1994). Where they are mutually reinforcing and integrated, innovatory managerial practices from multinationals are unlikely to be very effective or easily established. In contrast, more open the business system characteristics in a market economy, easier it is to introduce novel procedures and ways of working. Thus, according to Whitley (1994), Japanese multinationals have been able to transfer some of their working practices and HR policies more readily to their UK subsidiaries than have British multinationals in Japan. Further, despite the strong contrast between Japanese and British societies and the ways of organising their economies, the high level of institutional differentiation and pluralism in Britain, including the limited role of the legal system and the state in co-ordinating and ordering market relations, has facilitated the establishment of Japanese "transplants" in Britain (Whitley 1994). Therefore according to Whitley (1994), the impact of multinational firms on national business systems is severely constrained by the strength and cohesion of host countries' institutions.

Whitley (1994) further argued that such transfer is more likely when the firm and its home economy are considerably stronger and more powerful than the host economy and there are few established procedures to overcome (Whitley 1994). Multinational firms from dominant economies are more likely to insist on subsidiaries in smaller, weaker and developing economies following domestic patterns of economic organisation in those economies than they are in larger, stronger and industrialised societies. Further, strength and role of the state in the host country are naturally key factors in this relationship and can often prevent the direct transfer of managerial practices and modes of organising market relations (Whitley 1994). A related point about the factors affecting the transferability of particular managerial practices is their dependence on the strength of the local institutions most closely connected with them. Where, for example, trade unions are weak and labour relations are not entrenched in legal regulations, it is likely to be relatively easy to introduce novel working practices and systems of organisation.

On the other hand, the internationalisation of markets and firms is not a simple matter of transferring managerial technologies to foreign subsidiaries, and thereby transforming "backward" economies; it is not a case of firms adapting their practices to those dominant

in each host country. Thus, the impact of multinational firms on host economies and their business system characteristics depends on the importance of such firms in particular sectors, the strength of current practices and associated institutions and the overall cohesion of the business system (Whitley 1994).

However, while business systems competing in world markets have to adapt to the dominant patterns in those markets, this does not mean that they simply imitate and reproduce them. Thus, as mentioned earlier, business systems develop and change in response to institutional pressures and in response to dominant ways of doing things in their international markets. Depending on the relative strength of these exigencies, and of their own influence on international rules of the game, they display different characteristics. It is worth reiterating that business systems with particular characteristics can be seen as "selecting" particular markets which enable them to function effectively (Whitley 1994).

In this context, based on East Asian experience, Hofstede (1993) has shown that concepts of HR and HRD are both country specific. According to Hofstede (1993), the concept of HRD would never have been invented in Southeast Asia. It comes as a foreign idea, to be adapted to the different local situations. On the other hand, though the countries move fast, "old values do not disappear overnight, and often survive in new settings". Hence, the systems of management must still respect continuity with old values and traditions (Hofstede 1993). Therefore, Hofstede (1993) concludes that by all means, foreign theories could be used as sources of inspiration. But they should be tested for their underlying basic assumptions where those are different. If necessary, they should be re-conceptualised according to the best of local traditions. Therefore, in turn, Whitley (1993) emphasises the need for a comparative analysis, which would examine the process by which different kinds of enterprise structures became established and successful in different contexts, and the ways in which they operate effectively.

4.4. Summary and conclusion

Literature emphasises the importance of transfer of knowledge and management practices with the establishment of international businesses in host countries. In contrasting western societies with Asian ones, it seems reasonable to suggest that the former are both more internally differentiated and less sharply different from each other than the latter. The economic success of different Asian societies that have been competitive in world markets, together with their high degree of similarity within those societies, suggest that they vary in certain basic characteristics because of the institutional environment in which they become established.

Chen (1995) describes three dominant systems of Asian management practices- Japanese, South Korean and overseas Chinese. These management structures bring in the components of economic behaviour that has emerged as distinctive responses to its circumstances; they are embedded in the environments and development histories of their societies. However, based on literature, it can be identified that though business systems differ in many ways all are familiar with systematic concepts to some extent; differences in the content are more apparent than differences in the process. Therefore, when companies go abroad, it is expected that they take their own business practices with them; these practices reflect their specific management concepts and practices. Therefore, in the Sri Lankan context, it can be expected that the companies of different ownership may bring with them their own MD systems with their distinguishable systematic features. As host country business partners can learn from their joint venture partners, in consequence, these companies may have an impact on the changes in HR practices in Sri Lankan enterprises. However, literature provides evidence that foreign companies sometimes find difficulties in transferring their own systems of management to host countries.

On the other hand, the distinctive characteristics of the foreign businesses continue to be effective in particular institutional environments. Therefore, to a considerable extent, they are societally specific in that they would not function as effectively in different societal contexts. Though there are broad legislative similarities between the countries, differing political, cultural and social concerns create quite different conditions for employee practices within multinational companies. Therefore, even within the Asian region, too, transfer of management practices sometimes becomes less possible. On the other hand, colonial history of the country, the issues of addressing economic growth and industrialisation, etc influence government strategies to attract foreign investment and modern technology. In such situations, the global competitive environment seems to play a far more significant role than the "home practices" of foreign companies as their preferred managerial styles have been tailored to meet business objectives conditioned by the economic, political and less strict legal context of the host country. These all influence the extent to which international businesses will be able to retain and transfer their original management practices. In this context, evidence reveals that foreign companies might not transfer their own original form of practices to host countries: instead they could be in a process of evolving some practices that are both different to their original and the host country management practices.

However, literature on transfer of practices mainly focus on the transfer of manufacturing techniques and the attention given to HR practices has been overlooked until recently. Therefore, in the global arena, the importance of studies based on the transfer of HR practices is increasing.

Chapter 5

Human Resource Development in Sri Lanka

5.1. Introduction

Human resource development, according to the human capital theory, is an investment. As stated in chapter 1, governments, organisations and individuals incur costs in the development of human resource in return for higher benefits in the long run. In this chapter main attention is paid to discuss the organisational level HRD activities in Sri Lanka in the light of the national level HRD. Therefore, first, brief introduction to national level HRD is provided. Then, section 5.2 is devoted to look into the organisational level HRD in Sri Lanka. In the discussion, main emphasis is placed on MD. However, due to paucity of literature on Sri Lankan HRD, in particular MD, literature on HRD in developing and Asian countries has also been consulted in this chapter.

As mentioned in the chapter 3, in the study an attempt is also made to look into the importance given to the HR function in the organisational strategy process and the nature of top management support for HRD. Therefore, in the section 5.3 an attempt is made to discuss those two aspects using the available limited literature.

In this chapter though main emphasis is placed on identifying the nature of MD in Sri Lanka using available literature, an attempt is also made to compare the Sri Lankan situation with other countries. As this research addresses differences in MD practices across companies of different ownership, it is expected that such a review will reveal initial comparative data on the nature of MD, importance given to the HR function in the organisational strategy process and top management support for HRD.

National level Human Resource Development in Sri Lanka

This section provides a brief description into national level HRD in Sri Lanka.

It is accepted by the governments of the independent Sri Lanka that human resource has and will continue to play a significant role in the socio-economic development of the country (Central Bank of Sri Lanka 2000). Sri Lanka emphasise the importance of developing human resource in view of the fact that without proper development of human resource, economic development not only cannot be accelerated, but can in fact become almost an impossibility (Central Bank of Sri Lanka 2000). Under the national level HRD, the most conspicuous modes in Sri Lanka are general education, tertiary education (university education and technical education and vocational development), entrepreneur or proprietor development, and administration and management development. All the

national level HRD activities in Sri Lanka are mainly funded by the government and they are predominantly a public sector responsibility with several Ministries involved in.

The present nature of HRD in Sri Lanka has its roots to the colonial period of the country. Most of the countries in Asia, including Sri Lanka, had been under Western rule for several centuries. During the colonial period, as in other colonial territories, the need of the public services largely determined the pattern and content of the general education (Nanayakkara 1992). In the case of administration and management development, as the Western powers that colonised Sri Lanka over centuries maintained their supremacy in administration, industry and commerce (Wijewardena and Wimalasiri 1996), the locals had no opportunity to make decisions in the process of management. However, in order to facilitate the colonial administration, the foreign administrators embarked on developing a cadre of local civil servants. However, any administration and management development that existed during the pre-independence colonial era was by the traditional method of apprenticeship, where the new comer learnt the job by the method of trial and error. But it appeared to have worked satisfactorily, given the limited functions of the administration and the comparatively high quality of the persons recruited to the clerical services of the colonial government (Chinniah 1986).

The most significant government policy on HRD has been the introduction of free education up to the university level for all students, in 1945. Therefore, free education was available for all students when Sri Lanka regained independence in 1948 (Central Bank Sri Lanka 1998). Since then university education expanded rapidly over the past five decades. Though during the colonial rule, the study of the humanities was promoted, particularly in the belief in "generalist" administrator for the public services (Nanayakkara 1992), after the independence, several steps were taken by the successive governments to improve the nature of the education. Technical and professional subjects in the areas of medicine, engineering, general sciences, and law were introduced. Commerce and business administration subjects, which were originally taught only at the technical college level were introduced to school curricular in the 1960s. Initially, commerce and business administration subjects were not attractive, but from 1970s they became increasingly popular. However, the universities did not expand facilities for commerce and management education until recently in the belief that commerce and management graduates would have difficulty in securing employment relevant to their education (Nanayakkara 1992).

With the grant of independence in 1948 from the British rule, the need for systematic development of the administrative service (managerial, supervisory and clerical), came to be realised in the early 1950s (Chinniah 1986). Since the late 1960s, the provision for administration and management development has blossomed into a large-scale activity.

The recognition given to the importance of MD for organisational efficiency by both public and private sector has increased gradually. However, the major constraint facing private sector enterprises is the inadequacy of management expertise, especially at middle and supervisory levels. Hence, every encouragement is being given by the government, as a policy, to national level MD institutions to develop the required human resource (Department of National Planning 1992). Recently, government has taken further steps to reduce its monopoly over administrative and MD and to encourage private sector to set up national level institutions to fulfil the demand for administration and management development (Central Bank of Sri Lanka 2000).

The nature of organisational level HRD in Sri Lanka is reviewed in the following section onwards using available literature.

5.2. Organisational level human resource development in Sri Lanka

As the quality of management available in a business is a key factor, which places organisations at a competitive advantage over others, one viable option available for business is to develop in-house management talent. This helps them to take up the future challenges in a more professional manner, thus, influencing the corporate performance with a futuristic view (Wijesiriwardana 1994; Nandadasa 1994; Selleh 1992b).

Therefore, apart from looking at the macro perspective, which covers national manpower resources, HRD can and should also be seen from a micro perspective, which means looking at it from the organisational level. In this respect, Nadler (as cited in Selleh 1992) describes the concept as something that focuses on learning experiences provided by organisations to achieve goals of these organisations. According to Selleh (1992) business corporations have also been actively undertaking measures to further mould the human resource into their specific and specified needs, which turns out to be more practical with an immediate positive effect on the trainees. Such company sponsored programmes largely focus on the enhancement of specific technical, professional and managerial competence of its members. Therefore, in this section, the nature of company level HRD activities, especially MD activities, available in Sri Lanka is reviewed. However, it has to be noted that few studies available either on the HRM function or on MD in the Sri Lankan context.

To make it clear, this section is divided into 2 subsections. First, in the section 5.2.1, the nature of formal MD methods provided by organisations to its managers in Sri Lanka is reviewed. Second, in section 5.2.2, the MD effort and its features are reviewed in relation to the systematic approach. As explained in the chapter 2, the systematic approach is considered as a working tool in the study.

5.2.1. Formal development methods

Human resource and MD advisers normally believe in formal MD processes (Mumford 1997). However, as mentioned in chapter 2, when it comes to classifying formal MD methods into several categories, researchers have come up with several various categories (Armstrong 1999, 545; Storey 1994, p368 as cited in Henderson et al, 2000; Mumford et al 1987). Hence, as mentioned in chapter 2, the researcher has decided to adhere to the categorisation used by Mumford et al (1987) to describe formal methods of MD, as it provides relatively definite categories. According to them formal development methods can be classified into "changes in jobs and job content" (or job redesign), "development processes within the job" (on-the-job methods), "activities external to the job" (off-the-job methods), and "development activities planned by the individual rather than by the organisation" (self-development). However, in the Sri Lankan context, due to the paucity of literature relating to HRD activities at company level in Sri Lanka, the researcher has been unable to find any detailed literature on formal or informal MD methods in use or any other alternative classification of MD methods in use.

However, for the study called "Managerial Value Orientation and Labour Management Relations: A Study of Export-Oriented Manufacturing Firms in Sri Lanka", Chandratilake (1997), among other things examined different approaches to development in terms of the type of development opportunities provided, specific outcomes expected from development programmes and development delivery systems based on the management value orientations. In his study, Chandratilake (1997) identified four major approaches to development, namely, job-oriented, person-oriented, organisation-oriented, and ad hoc approach. Those approaches explain briefly the nature of development activities used to upgrade employees, including managerial staff, by export-oriented manufacturing firms in Sri Lanka. Hence, in the following paragraphs a brief description of each approach is presented as they were identified by Chandratilake (1997).

In the job-oriented approach, development was purely perceived as a short-term activity that aims to provide the employees with bare minimum skills required for executing tasks assigned to them. Therefore, the main focus and the content of development programmes were limited to those specific skills and disciplines, which had an immediate and a direct relevance to the production function. Development programmes under this approach had hardly any emphasis on improving skills in managing personnel. Hence, at supervisory and managerial levels, development programmes were limited to those who were directly involved in the production function and its content was limited only to the specific disciplines or skills relevant to the trade (Chandratilake 1997)

The second approach identified by Chandratilake (1997) is person-oriented approach. In this approach development was seen more as a means of developing individual

competence of the employee than as a direct attempt in improving specific job related skills. Hence, development efforts in this approach also meant to enable the employee to acquire further knowledge and skills in different disciplines irrespective of their immediate relevance to his/her current job. Therefore, at the supervisory and managerial levels, development efforts were more broad based with the objective of providing a wider range of skills relating to several functional areas of management. However, in these firms, HR department acted more as a co-ordinating body dealing with requests coming from different work units and making administrative arrangements to meet them in consultation with relevant development institutions rather than as a proactive agent of matching individual development needs with those of the business (Chandratilake 1997).

The third approach, identified by Chandratilake (1997), is organisation-oriented approach. In this approach development was seen more as a system-wide effort that should integrate with the overall corporate policies and objectives while fulfilling the needs of employees than as a support function having a specific focus on improving individual competence of employees. Hence, most significantly, firms perceive development as an activity that should have a close link with the future direction of the firm; as a result, development function had been integrated into company HR policies formulated in accordance with the needs of the business and those of the job incumbents. Thus, top management in these firms perceived development as an investment that should bring tangible returns to the firm.

Further, at the supervisory and managerial levels, the content of development programmes had a wider coverage. At the operative level, too, provided broad on-the-job development programmes through job instructions together with in-house development programmes mostly covering technical subjects related to the job. The delivery system included multiple methods, such as job instructions on the floor, off-site development programmes arranged through both local and overseas development institutions, and tailor made programmes and workshops arranged at various intervals on in-house basis (Chandratilake 1997).

The final approach identified by Chandratilake (1997) is ad hoc development. This approach had no direct link either with organisational objectives or needs of individual job incumbents. Except for on-the-job development programmes for operatives and some isolated attempts at supervisory and managerial development, firms that followed this approach did not consider development as a separate managerial function for which time and resources have to be committed on a regular basis. In these firms development of managers and supervisors had been rare. These firms showed some degree of complacency with the existing ability of their managers to perform the technical and

production related functions without going through additional development programmes (Chandratilake 1997).

Though Chandratilake's (1997) classification of formal development methods does not follow Mumford's (1997) classification, it provides an idea about the nature of development focus in Sri Lankan export-oriented firms. It is also possible to find different MD systems that prevail in other countries. Therefore, when considering the different MD approaches, in the world context, several different features can be identified. However, it is observed that even within a particular country context, enormous diversity of development arrangement could be identified (Smith and Hayton 1999). Enterprises in the same industry and serving similar markets would often be quite different in their approach to staff development.

When looking into formal development methods use by other countries of the world, literature on Thailand reveals three main perspectives of their HRM model, namely, traditional, transitional and progressive (Kamoche 2000). The traditional model places emphasis on administrative and managerial control and cost-consciousness. In terms of planning, managers appeared to work within one-year horizons, and were not prepared to contemplate decisions beyond that. Development programmes were largely on-the-job because it is less expensive. Formal courses for technical development were carefully vetted for the cost and relevance. In this model, development programmes were perceived as a "burden" (Kamoche 2000). In such circumstances, it is doubtful whether the firms in this model were making sufficient efforts to cultivate and benefit from the stock of expertise. On the other hand, the companies that practice progressive model commonly maintain specific HR policies, which explicitly support organisational goals and strategies. Development programmes in this perspective were well planned and systematic. On-the-job development programmes were complemented by a range of courses offered locally or abroad. It was usual to undertake development needs assessment and development evaluation upon completion to ensure suitability, relevance and knowledge acquisition (Kamoche 2000). The third approach identified in relation to Thailand HRM model is transitional approach, which lies between the two previous ones. This development rationale also reflected a gradual shift away from cost consciousness to a commitment to competence creation. However, there remained a stronger belief that while development could be considered as investment, the value of this investment would be somewhat elusive, if economic conditions are poor. In this model, therefore, development could be described as a necessary evil (Kamoche 2000).

Unlike above mentioned Sri Lankan approaches, these Thailand approaches did not specify much detail about the nature of development at individual level. However, like Sri

Lankan approaches, these Thailand approaches also provide an idea about the focus and importance given to the development function at the organisational level.

In the case of India and Thailand, Lawler et al (1995) examined four different development methods: on-the-job programmes, internal development programmes conducted by the firm's own staff, internal development programmes conducted by outside consultants, and external development programmes. The latter three methods were seen as consistent with a more structured and rationalised employment system. The use of on-the-job development programmes was seen as a part of a sophisticated, broader strategy that emphasises multiple development methods. Yet firms in Thailand did not seem to be utilising a variety of formal development methods to a greater extent than in India; they rely mostly on development programmes provided by outside vendors, which presumably do more by way of developing general skills than on-the-job development programmes. In the case of white-collar workers, firms in Thailand were less apt to use on-the-job programmes and more apt to use external programmes than firms in India (Lawler et al 1995). In line with this, Sri Lankan literature, too, have provided evidence that Sri Lankan development function more rely on development activities provided through a limited number of external development methods (Wijetunge 1992; Fonseka 1998; Sivanesan 2000; Wijesiriwardana 1994).

However, in general, it is evident that countries under the colonial rule depict more western practices. In the case of South Africa, MD practices continue to reflect strategies used by the European colonial powers (Laburn 1994 as in McFarlin et al 1997). In contrast, co-operative and communal philosophies of the Eastern and African worlds have been ignored (Lessem, 1994 as in McFarlin et al 1997). Since colonial powers controlled both political and economic development, western approaches to management had a high degree of legitimacy (as in McFarlin et al 1997). In the Asian region, too, there are literature revealing the influences of British colonial system on HR practices. In the case of India and Thailand, the British colonial system had created bureaucratic practices that persisted after independence and would be anticipated to introduce many elements of a relatively rationalised and systematic HRM system. In the case of India, as Nair and Schuler note, a formalised HR function has been common in Indian organisations for decades; there has been a rationalisation of HRM practices (Lawler et al 1995). However, in the case of Singapore, its HR practices have a mixed influence from the west and the east (Khatri 2000). Further, in the Australian manufacturing industry context, Smith and Hayton (1999) identified diversity of development arrangement on three main dimensions: formal/informal development, external/internal development, and technical skills/behavioural skills development. However, such classifications are also undoubtedly based on the western concepts of development. In line with this, though Sri Lankan literature on the private sector organisational level development activities does not

provide any material on western colonial influence, literature on the national level HRD programmes available for administrative and managerial development provide ample evidence for the influences of western colonial rule since independence (Chinniah, 1986; Manamperi, 1987; Manuratna, 1986; Minks and Withana 1977; Nanayakkara, 1992).

In the case of Japan, where they have developed their own system of management, Handy (1987) observed that the Japanese did not have a secret formula for MD. According to Handy (1987), "there is nothing they do which is not done elsewhere, somewhere". Paradoxically, the Japanese development system could still be described as centre-led and relatively uniform; the Japanese, however, did it seriously and deliberately (Storey et al 1997). Companies believe that their managers are their key assets. These assets can't easily be replaced or removed so they must be developed. They believe that careful thought and study can solve most problems. According to Handy, whatever changes occurred in Japan, these attitudes and beliefs are unlikely to change (Handy 1987). This Japanese view on development clearly provides guidance to MD in Sri Lanka where development is considered as a peripheral organisational activity.

Management development in Japan has been reported to occur largely through on-the-job development (OJT), off-the-job-development (Off-JT) and self-development, which are the three main components of the total in-company development system (Storey et al 1997; Okazaki-Ward and Amaya 1996). As already mentioned in chapter 2, Japanese MD continuously emphasise that OJT alone is inadequate and must be complemented with systematic and sustained Off-JT and development throughout the career of managers at all levels (Handy 1987). On the other hand, self-development programmes run parallel with OJT and is increasingly emphasised at all levels (Handy 1987). The surveys conducted in Japan have continually referred that those company level development systems were more systematised/structured. Further, those studies indicated that considerable thought has been given into designing, implementing and evaluating the effectiveness of those programmes by superiors and educators within the firm (Handy 1987; Storey et al 1997). It is also clear that there has been tremendous efforts expended on development away from the workplace. Where international opportunities exist, overseas postings of usually three to five years are also used as developmental opportunities (Storey et al 1997). These Japanese way of development provide good examples on how to structure in-company HRD activities and the importance that should be given in designing and planning those activities. Such examples could be used as inspirations in improving the nature of HRD function in Sri Lankan organisations. On the other hand, as mentioned in chapter 2, due to dramatic shifts experienced by the Japanese economy and its business sector, the Japanese HRM system also experiencing a paradigm shift from lifelong employment to employability, which has prompted the government to provide vocational skills and MD (Kagono 1996;

Okazaki-Ward and Amaya 1996). In consequence, Japanese industry has also begun to recognise that there is a limit to company initiated development programmes (Kagano 1996). Such instances shows that Japan is also turning towards countries like Sri Lanka, where more emphasis is given to external institutions in providing development opportunities for organisational staff.

Other than these specific features of development approaches, literature relating to formal development methods in the world and regional context has already been reviewed in Chapter 2.

5.2.2. Systematic approach to management development

As mentioned in chapter 2 in section 2.4, in the study, MD is looked into in relation to the systematic approach, where it is considered as a working tool to describe MD effort. It is not intended to be the definite approach for all organisations but it is used as a practical guide.

It has been documented that the systematic approach to MD or employee development is not uncommon. Several researchers had observed that Japanese system of MD is more systematic (Ishizaka 1996; Ishizaka 1996; Handy 1987; Storey et al 1997). In the case of Thailand, too, Kamoche (2000) identified development effort as a well-planned and systematic function. In Australia, Smith and Hayton (1999) identified the existence of a formalised approach to development, which was the most common element to be found in Australian firms. In the case of India and Thailand, Lawler et al (1995) mentioned that British colonial system created bureaucratic practices that persisted after independence and would be anticipated to introduce many elements of a relatively rationalised and systematic HRM system. Further, Grzeda and Assogbavi (1999), in comparing North American and African MD programmes, stated that differences in the content are more apparent than differences in the process. Therefore, in the following sections an attempt is made, based on literature, to identify Sri Lankan HRD situation, especially at the managerial level, and its features using the systematic approach as a working tool.

Though in MD both formal and informal processes have to be considered, Sri Lankan literature has not provided any information on informal incidences as development opportunities. Therefore, literature on formal development opportunities provided by Sri Lankan organisations is reviewed in the following section.

Development needs identification

There has been evidence for the existence of development needs identification in Sri Lankan organisations (Silveira 2000; Weerakkody 2000, Sivanesan 2000; Wijetunge 1992; Uduwela 2000; Fonseka 1998). According to Silveira (2000) and Uduwela (2000) private sector give equal emphasis in identifying both individual needs and organisational needs, and most of the development activities are developed and scheduled according to the needs analysis, which is done periodically.

Strategic resource development manager of the SmithKline Beecham (Sri Lanka) revealed during a press interview how they identify development needs. According to him:

"We start with development planning, collecting facts and data on a person's performance, competencies and other related behaviours. Based on this we then set stretch targets based on the desired performance standards and behaviours. Development then, is an activity or a solution (among others) to address the gap between current and desired performance standards and behaviours".

(Weerakkody 2000, p140-141)

The views of the above Sri Lankan manager show that how they attempt to identify development needs systematically.

Based on a study on MD programmes of one of the pioneering and leading Banks (public & private owned) in Sri Lanka, Sivanesan (2000) found that development needs are identified on annual basis. For this purpose, faculty members personally visit some of the senior managers to gather their suggestions and feedback about development programmes. In addition, the guidelines of corporate management, feedback from participants, comments made during the performance appraisal of managers, and comments made in audit reports, were all taken into consideration in designing annual development programmes.

Further, Gunatilaka (1987) and Wijetunge (1992) found the significance of fulfilling development requirements mentioned in employment recruitment scheme. According to Gunatilaka (1987), in certain cases, a satisfactory completion of development programmes is often prescribed as a requirement for promotion; some development programmes continue year after year. Such development programmes are continued by organisations not because of the value of development opportunity but because the completion is a prerequisite in getting promotions. However, not only Sri Lankan organisations emphasise fulfilment of such compulsory development programmes. In the case of Japan, too, Ishizaka (1996) stated that for lower management there is a compulsory management programme, which is a pre-requisite and condition for being promoted to the next rank.

With regard to the role of performance appraisal in the identification of development needs, researchers found that companies maintain performance appraisal systems for their employees, including managers (Dias 1990; Chandratilake 1997). Some researchers observed the use of performance evaluation forms in evaluating performance, which had to be completed by the respective line managers about their subordinates' performance (Chandratilake 1997; Jinendradasa 1998). Uduwela (2000) observed that the performance appraisal form of one of the leading private sector commercial banks in Sri Lanka contains a part that covers the development needs of individuals. However, it was found that performance appraisal reports were treated as "confidential reports" and companies did not give feedback to appraisees (Jinendradasa 1998). With regard to the alignment of the performance appraisal system with development function, Sivanesan (2000) observed a weak "link". According to Sivanesan (2000):

"Performance appraisal process has been linked with development function to a certain extent. However, the appraisal process does not provide opportunity for the appraisee to indicate the nature of development he/she has received and its impact on his/her performance during the period under review. The performance appraisal form has a 'development need' column where the appraiser and appraisee could state the development needs of the appraisee. However, this information has not been taken for serious consideration during the nomination phase. The delays in the annual appraisal process also dilute the utility of this feedback".

(Sivanesan 2000, p 70)

In contrast to the Sri Lankan situation, in the Australian case, Smith and Hayton (1999) identified that formalised approach to development needs analysis was the most common element to be found, with many of the case enterprises beginning to use the formal appraisal system as the basis for needs analysis, at least among white collar and managerial staff.

Another important avenue in identifying development needs is succession planning. When reviewing the HRD system of Department of Posts, Wijetunge (1992) found that though an attempt had been made to identify development needs, it was not properly done due to the absence of succession plans. However, Sri Lankan literature on succession planning clearly indicate that succession planning is still a novel concept and has not made a substantial impact on Sri Lankan business (Wijesiriwardana 1994; Wijetunge 1992). Most frequently, direct recruitment seems to be preferred to succession planning. In looking for reasons for not having succession planning and the preference for direct recruitment, Wijesiriwardana (1994) found several concerns. One of the reasons for lack of succession planning at the managerial level was due to the lack of confidence in their own management style of some senior managers and their confidence in direct recruitment to gain new blood into the organisation. Organisations in the private sector consider it as an achievement to grab a professional manager from another organisation

to acquire knowledge, skills, competencies, organisational secrets etc, the manager brings in from out side, which are considered strengths flowing into one's own organisation (Fernando 1995). Another reason for the lack of succession planning was that direct recruitment is less complicated than succession planning process (Wijesiriwardana 1994).

Further the absence of talent inventories or databases was a prominent finding (Wijesiriwardana 1994; Wijetunge 1992). Thus, selection criteria for development programmes seem to be inappropriate. In contrast, Storey et al (1997) identified the existence of very detailed personnel databases in Japan. For example, Sumitomo Electric Industries was able to undertake at their request a computer search of cohort of managers who had entered the company in 1969. Of the 68 who did so, they extracted detailed summaries of development programmes those managers had undertaken. Those instances of Sri Lankan and Japanese situations show the differences between the two countries in the emphasis given to the development function by the organisations.

However, in the case of Russia, Clarke and Metalina (2000) reported the use of probation as a substitute for development programmes. Further, when further development opportunities were required, it was most often left to the initiative of the individual employee, who may be encouraged by prospects of promotion to undertake correspondence or evening courses at his or her own expense. In the case of Australia, too, Smith and Hayton (1999) identified the emerging role of the individual as an important factor in development decision-making. Though there were drawbacks such as meeting the development requirements of enterprises only at the most general level, the Australian enterprises had initiated MD programmes that aimed at a large number of employees in a particular set of skills. Beyond these programmes, most enterprises relied primarily on individuals to flag their development needs. Even in the enterprises, where there were reasonably elaborate systems of management succession planning in operation, development opportunities were provided as a result of individual effort rather than as a management driven development provision. In those instances, though organisations do not give more emphasis to the development of employees, one can assume that such organisations more emphasise the emerging views on HRD, where individuals are encouraged to take their own initiative in their development, as mentioned in chapter 2.

Setting MD objectives in the Sri Lankan context is reviewed in the following section.

Setting objectives

Based on Sri Lankan literature, the researcher has been unable to find direct evidence for the existence of setting objectives for MD activities.

However, based on the study of Chandratilake (1997), it could assume that in the job-oriented approach, where development effort is perceived as a short-term activity, development objectives could be limited to provide employees with bare minimum skills required for executing the tasks assigned to him/her. In the person-oriented approach, where development effort is considered more as a means of developing individual competence than as a direct attempt in improving specific job related skills, the objectives could contain more of individual level development aspects than organisational level aspects. In contrast, in the organisation-oriented approach, emphasis could be on developing more organisational level objectives than individual level development objectives. Finally, in the ad hoc development approach, it could be assumed that none of the attempts were made to set MD objectives. However, Hsu and Leat (2000), in the Taiwan manufacturing industry, found that firms that provide development activities on a long-term basis generally perform better than those firms that emphasise short-term objectives. By considering the importance of the level of integration between organisational objectives and development objectives, Hsu and Leat's (2000) finding seems close to reality.

However, in the case of sub-Saharan Africa, Grzeda and Assogbavi (1999) stated that the implementation of MD programmes begins with the definition of objectives, expressed in terms of the required behaviour on the job. However, due to the scarcities of resources, these objectives were at times compromised by the necessity of offering previously developed courses and workshops (Youker, 1987 as cited in Grzeda and Assogbavi 1999). Being a third world developing country for several decades, Sri Lankan organisations might also face with such resource constraints. As mentioned in the next section on designing and planning MD activities, this may be the reason for Sri Lankan organisations, too, to concentrate more on external off-the-job development programmes.

Designing development activities in the Sri Lankan context is reviewed in the following section.

Designing development activities

In this section Sri Lankan literature is reviewed in terms of development methods, content, development plans, and HR managers' role in the designing process. With regard to the methods of development, several researchers found that many organisations have over emphasised the importance of off-the-job programmes (Wijetunge 1992; Fonseka 1998; Sivanesan 2000; Wijesiriwardana 1994). Though few organisations use seminars and workshops as off-the-job programmes (Wijesiriwardana

1994), most of the organisations rely on publicly run year round courses in developing their personnel (Wijetunge 1992; Fonseka 1998; Sivanesan 2000). In the case of private sector in Russia, Clarke and Metalina (2000) had also observed that only a small number of enterprises had established their own development programmes; in many cases staff is sent out for private commercial educational establishments. In the absence of formal development methods, the significance of the role of informal development incidences, which usually occur during the course of managers' everyday work, increases. However, available literature does not reveal the nature of informal opportunities available in Sri Lanka. Therefore, in designing the present study, an emphasis is placed on identifying informal development incidences in the export-oriented clothing manufacturing industry.

With regard to the content of development activities, Priyalal (1999, as cited in Sivanesan 2000) found that the majority of the development programmes of the commercial banks were knowledge and technical based, and very low attention had been given to managerial skill development and in changing attitudes and behaviours. However, in the case of Australia, though technical skill development was more common occurrence, an increasing emphasis on behavioural skills was noted in all the industrial sectors (Smith and Hayton 1999). In the case of Africa, too, Grzeda and Assogbavi (1999) stated the importance of developing behavioural skills, since fundamentally management is a social process. These instances tell that Sri Lankan organisations, too, have to concentrate more on improving behavioural skills of managers.

With regard to development plans, Sivanesan (2000) observed the lack of strategic orientation in development plans while Wijetunge (1992) observed the lack of continuity of development activities as a result of lack of annual development plans. However, it seems that this is not a problem only to be found in Sri Lankan organisations. Smith and Hayton (1999), in the Australian context, found that written development plans were less evident. According to Storey et al (1997) and Handy (1987) the main contrasts between the development effort of Japanese and British firms exists in the planning process. Japanese preference for long-term planning as opposed to opportunism shows the way they prepare and groom their managers. They adopted what is called a "slow-burn" development procedure of progressive job rotation supplemented by formal reviews and assessments and a variety of forms of formal study, and, most importantly, self-development programmes. The whole process may last as long as 14 years before one becomes "section chief". However, this slow-burn approach had been accepted in the era of lifetime career in an organisation, where such an approach enables them to build up a stock of managers who are versatile, well educated and well schooled, and unlikely to leave the organisation. However, due to major changes in Japan, the HR system led to a reduction in employment, which is paralleled by major reductions in promotion opportunities (Handy 1987). Though details of recent changes in Japanese MD practices

are not available, one can assume that their comprehensive planning systems might also change over time.

In designing development activities, Wijetunge (1992) found that the participation of key personnel, who are responsible for development programmes, is lacking in the designing process. In contrast, Hsu and Leat (2000), in the Taiwan manufacturing industry, found that line managers have to decide the extent of their involvement in the planning of development programmes. However, companies that perform well in Taiwan had line managers who are more heavily involved in the designing process than managers in the companies that perform poorly (Hsu and Leat 2000). This Taiwan situation reveals that if an organisation want to improve its overall performance, HR managers have to take a leading role in the development process. The researcher feels that this situation is equally applicable to Sri Lankan organisations, too.

There is no literature on development budgets in the Sri Lankan context. However, in Japan, development budget as a percentage of turnover was very small (Storey et al 1997). This may be because, according to Storey et al (1997), much of the Japanese MD is "hidden"; formal development programmes were typically not seen as the main route to develop Japanese managers. However, in the case of Sri Lanka, by considering the above literature the researcher feels that formal development programmes have been seen as the main route to development.

With regard to the media of instruction, Weliwita (1991) and Wijetunge (1992) found a greater prominence given to overhead projector at the expense of other tools. With regard to the location of development activities, some organisations provided development programmes through their own development institutions. For instance, Department of Post, Ceylon Electricity Board, and Bank of Ceylon had their own institutions to provide organisation specific development programmes (Wijetunge 1992; Fonseka 1998; Sivanesan 2000). Those institutions conduct courses for the staff to develop their skills and competence (Wijetunge 1992; Fonseka 1998; Sivanesan 2000). Such instances of maintaining own institutions provide a sense on how far some Sri Lankan organisations gone in developing their staff. On the other hand, all the organisations mentioned above are centrally administered organisations. Therefore, one can also assume that for the fulfilment of central-led development needs, these organisations maintain central-led development institutions. If so, another closely related question, which can be raised, is that how far such institutions address specific development needs of the employees working in their "branches".

Avery et al (1999) mentioned a situation where public and private interests have merged to provide a broad front-line management skills framework that does not prescribe, but

can be used as a consistent foundation on which to build management skills unique to each organisation, in the Australian context. However, such evidence is not available in Sri Lanka. However, an existence of such a scheme could provide framework of required management competencies in identifying individual and group learning needs with a strong emphasis on facilitating learning, rather than delivering "pre-set" development programmes.

The implementation of development activities in the Sri Lankan context is reviewed in the following section.

Implementation of development activities

The fact that has accepted in Sri Lanka, by principle, is the contribution made by employee development efforts in the process of improving performance capabilities of the workforce: managerial or operative. However, literature has shown that many organisations get involved in the process by nominating participants for programmes as an obligation rather than with an understanding of its relevance and importance to both organisation and their staff (Manamperi 1987). The available literature also reveals that many participants send in their applications to follow development programmes on their own initiative rather than that of their organisations (Manamperi 1987). However, according to the HRD view, individuals do not have to rely on organisations for their development. In the HRD view more emphasis is placed on individuals' initiative for their own development.

It is also stated in literature that there are difficulties in getting release for development programmes. According to Wijetunge (1992) getting release, especially for MD programmes, from normal organisational duties is difficult. Therefore, often the number of participants who attended development programmes was lesser than that who had been called for the programmes. These reflect lack of concern for the development effort by superiors. This shows that attitudes of superiors with regard to development activities have to be changed for the betterment of both organisations and individuals within them.

It remains of paramount importance to select trainers with appropriate qualifications and abilities as determined by the content (Perry, 1993, as in Grzeda and Assogbavi 1999). In the case of the trainers or instructors who conduct development programmes, Weliwita (1991) found that trainers who belong to national level development institutions were more professionally qualified than trainers in private sector companies. Further, Fonseka (1998) observed that though trainers do have necessary technical knowledge, their teaching and facilitating skills need to be developed over time. However, in the case of Africa, the selection of trainers was a matter of deciding whether to rely on indigenous or expatriate MD professionals (Grzeda and Assogbavi 1999). Assigning expatriate trainers

may result in local needs not being adequately assessed or understood in the programme material. However, according to Grzeda and Assogbavi (1999) as African economies become more developed, they may find greater reliance on indigenous organisations and indigenous trainers involved in MD. In the case of the selection of trainers, such literature provides different situations faced by different countries. One can assume that these situations might be common and applicable to any developing country, including Sri Lanka.

The transfer, validation and evaluation of development activities in the Sri Lankan context are reviewed in the following section.

Transfer, validation and evaluation

Many Sri Lankan researchers have emphasised the need of validating transfer of skills from development activities to work places (Sivanesan 2000; Wijetunge 1992; Weliwita 1991). However, organisations face problems with regard to transfer of skills towards work situations after development programmes (Weliwita 1991). Transfer of learning is not a problem only to Sri Lankan organisations. Management development programmes of Australia and New Zealand were under pressure to increase their programmes' practical relevance and delivery of immediately applicable skills (Avery et al 1999). However, the task of measuring learning transfer from MD interventions is a challenge everywhere because cognitive skills are difficult to observe and measure, and behavioural changes take time to be affected (Avery et al 1999). However, it is obvious that to foster transfer of learning and confidence to perform, the trainee must be able to practice within realistic job conditions (Youker, 1987 as in Grzeda and Assogbavi 1999). However, in the African context, Grzeda and Assogbavi (1999) identified that after managers returned to work completing development programmes, they were transferred to totally different jobs. Further, it was observed that attempts by participants to introduce changes based on the development programmes met with resistance (Youker, 1987 as in Grzeda and Assogbavi 1999). Though such situations might not be alien to Sri Lankan organisations, limited literature does not provide any written evidence.

In the instances where development opportunities were provided through organisation based development institutions, such institutions did not involve in follow-up and monitoring activities to help staff to transfer their skills to workplace (Sivanesan 2000; Wijetunge 1992). The researcher finds this as an important issue, where steps have to be taken to improve the involvement of HRD professionals in the post-development situations.

In the case of evaluation, according to strategic resource development manager of the SmithKline Beecham (Sri Lanka), measuring development effectiveness is not difficult. He revealed during a press interview how they conduct evaluation:

"...We often refer to Kirkpatrick's model. Often we perform first level evaluation by handing out an evaluation form at the end of a development programme. From this we can assess how participants felt about the programme. The second way is to measure knowledge or skills acquisition and this is fairly simple, i.e., test the acquisition of knowledge by giving a test. Similarly, we use role-plays to assess whether people have developed the required skills during a development programme. At the third level of evaluation, we look at people who perform well in their jobs and identify and observe behaviours that they demonstrate, rather than focus on knowledge or skills alone. For example, in the case of evaluating sales staff, we look especially at the way that sales people behave when conversing or working with customers and how this differs from the past. Finally, the fourth level of the evaluation focuses on the dollar impact that the improved behaviours have on the business".

(Weerakkody 2000, p140-141)

In contrast to this manager's view, all the other Sri Lankan literature provides lack of existence of effective systems for evaluating development activities, especially MD (Wijetunge 1992; Sivanesan 2000). However, this situation was not only prevailing in Sri Lanka. In Australia, Smith and Hayton (1999) observed that evaluation was very underdeveloped, with none of the case enterprises going beyond the traditional, end of course evaluation sheet, although there was evidence that this situation was beginning to change. Avery et al (1999), too, revealed the lack of statistical data available on the overall effectiveness of MD in Australia and New Zealand. In Australia, only few organisations attempted to measure learning outcomes, performance changes or the impact of MD initiatives on the enterprise's bottom line (Karpin, 1995 as in Avery et al, 1999). Khatri (2000) in the context of Singapore, too, found that companies neglect evaluation process.

When considering revising development activities, there was no indication whether development needs were being assessed time-to-time and whether course contents were being revised to keep up with emerging needs (Wijetunge 1992). Most of the development programmes were still being conducted in the manner in which they were originally designed. According to Gunatilaka (1987), the reason for the continuation of development programmes without revisions might be that those courses were continued not because of the value of development but because the value of getting the qualification in getting promotions. If so, researcher feels that those programmes may be continued even though the needs have not been properly assessed and the courses ceased to be relevant.

So far, the nature of Sri Lankan HRD activities has been reviewed. In following section problems/issues in the HRD provision are reviewed.

Problems in human resource development

Fernando (1991), one of the critics who examined the management development in the totality of managerial function, observed that MD in Sri Lanka was going through a multiple crisis situation. Four elements of the crisis were identified as responsibility, isolation, relevance, and confidence.

According to Fernando, top management was not aware of their continuing responsibility for MD. They consider it as a task of development officer or line manager and did not give it the due place in future plans. On the other hand, the majority of line managers did not consider that developing their staff was their own responsibility. Their perception is that, this task is a responsibility of external development institutions. This attitude had eroded management responsibility of upgrading their own staff through their own development efforts, and had, on the other hand, externalised this function mistakenly as a primary duty of others.

Several forms of this crisis of responsibility can also be identified from literature. According to Storey et al (1997) a key implication was that, in the absence of at least some measure of consensus about the role of development function, a "leap" towards devolved responsibility in Britain could lead to the neglect. According to them, a general "clawing back" of responsibility was evident. However in the African context, the crisis of responsibility was somewhat different. In the African context, rather than being recommended for development activities, subordinates with potential for advancement were seen as a threat to the manager's authority; consequently, subordinates' managerial skills tend to be underrated and delegating responsibilities were avoided (Grzeda and Assogbavi 1999). The researcher feels that all these forms of crisis of responsibility might be equally applicable to the Sri Lankan context. However, available literature does not provide any evidence.

Second, the crisis of responsibility has in turn resulted in the crisis of isolation of managers from trainers and vice-versa. The lack of isolation has resulted in the lack of communication and co-ordination in MD efforts. Trainers have isolated themselves from line managers and have become experts speaking a language of their own (Fernando 1991). In the case of Vietnam, too, McDaniel and Schermerhorn (1999) identified that the lack of internal co-ordination hampers efforts to improve the skills of media staff in the Vietnamese Broadcasting industry; shows that problems in development were woven together, responsibility, isolation, etc. Further, these provide evidence that Sri Lanka is not the only country suffering from such issues.

Several forms of this crisis of isolation can also be identified from literature. The recent changes occurred in Japanese HRM led to the establishment of several off-the-job

development institutions. However, Kobayashi (1996) notes the existence of large body of varied institutions for business education in the private sector; points out the difficulties that individuals face because of lack of standardisation in course contents as well as the quality of teaching and equipment used. Further, education specialists in the industry have begun to recognise that there is a limit to in-company off-the-job education, which now suffers from the narrowness of vision and the lack of breadth in talent in those who organise and run them (Kagano 1996). In the Japanese context, Kobayashi (1996) also notes that employees are under pressure continuously to upgrade their existing skills to expand their job horizons. These advocates a greater need for tripartite co-operation between individuals, business organisations and government to improve the overall quality of MD opportunities, which might also apply to Sri Lankan HRD programmes.

Third, the crisis of relevance of generalised development programmes is also being increasingly questioned. Trainers have consistently ignored individually required specific orientations in attitudes, skills, values, and knowledge (Fernando 1991). Further, the focus of development was mainly the individual and not the total organisation or work groups within an organisation. Therefore, the researcher feels that organisations expect that improvements in the individual performance will automatically improve the performance of the organisation concerned. However, this expectation may be too far from reality.

However, this situation is not only prevail in Sri Lanka, Smith and Hayton (1999) provide evidence that in Australia, too, the role of the individual emerged as an important factor in the development decision-making. The studies of MD, like many other parts of management literature, have often assumed the fundamental identity of interest between managers and their employers (Storey et al 1997). Therefore, it would not be always ideal to give incharge of individuals' own destiny by encouraging them to seek, learn and grow in the areas of their own interest. The researcher feels that HRD programmes have to consider both organisation as well as individual needs. Therefore, as in the above mentioned examples, in the Sri Lankan context, too, emphasis have to be given to fulfil the needs of both parties.

On the other hand, Avery et al (1999) states that Australian and New Zealand enterprises are lagging behind in recognising that the importance of formal MD programmes need to be supplemented with shorter, more focused MD initiatives, including workplace related activities, within the context of lifelong personal and organisational learning. The researcher feels that Australia and New Zealand are not the only countries that faced with such instances. Sri Lankan organisations might also be faced with similar situations though Sri Lankan literature does not provide the exact nature of HRD in Sri Lanka.

Finally, the crisis of lack of confidence is a result of trainers, trainees and line managers losing confidence in the value of development programmes imparted. According to researchers (Fernando 1991), there is no hard data on any evaluation done on the benefits of development activities in the Sri Lankan context. Avery et al (1999), found that MD programmes in Australia and New Zealand were under pressure to increase their programmes' practical relevance and to deliver immediately applicable skills. One of the symptoms of this malady was, in turn, the reluctance of senior officials to release their employees to undergo development opportunities (Fernando 1991).

Therefore, the crisis in MD in Sri Lanka is not limited to the development issue along, but it is closely linked with inherent weaknesses in the management of organisations.

Overall, Sri Lankan HRD literature on national level HRD reveals that strategies adopted relate to the colonial period (Manamperi 1987; Manuratna 1986; Chinniah 1986). However, available literature at the company level has not revealed any of such symptoms. However, McFarlin et al (1999), in the South African context, revealed that MD in South Africa continues to reflect strategies used by the European colonial powers, where co-operative and communal philosophies of the Eastern and African worlds have been ignored. A similar tale was stated by Grzeda and Assogbavi (1999), on MD in the sub-Saharan African context. However, according to Grzeda and Assogbavi (1999), differences and contrasts are not only more apparent but become potential barriers to the successful implementation of MD programmes. According to Kiggundu (1991), guidelines for programme implementation require "reactivity and sensitivity while at the same time being empathetic with local circumstances and resource scarcity". In many cases, evaluation material developed for the western context were applied intact without regard for their appropriateness or relevance to a very different business climate (Youker, 1987 as in Grzeda and Assogbavi 1999). Though literature shows influence of western techniques on HRD, in the Sri Lankan context, such literature does not available on HRD in the private sector organisations. As the Sri Lankan private sector emerged mainly after the trade liberalisation in 1977, the factors such as globalisation might have more influence than other possible factors.

It is evident that Sri Lankan organisations have been following the systematic provision of formal development activities. However, Sri Lankan literature has not provided any information on informal incidences as development opportunities. Further, there are no detailed studies that had looked into MD in the private sector organisations under the export-led industrialisation strategy. Therefore, in this study by utilising both informal and formal MD processes, the nature of MD is investigated in the export-oriented clothing manufacturing industry.

5.3. Importance given to the HR function in the organisational strategy process and the nature of top management support for HRD

As explained in chapter 3, HR has to be considered as a vital component in the organisational strategy process. Therefore, organisations must adopt a wider perspective and accept that employee development, MD in particular, is an integral part of the organisation's overall strategy. Another an equal important element is top management support for development function. Therefore, in the following subsections the above two aspects are discussed using available Sri Lankan and regional literature.

Importance given to the HR function in the organisational strategy process

Although one can assume that under liberalised policies, the strategy-making process might have improved, according to Nanayakkara (1992), based on a study conducted in 1982 on the Sri Lankan public sector, planning was not considered as a pre-requisite to success. This contrasts with the notions held by counterparts in the developed world. According to him, private sector was no exception. The predominant tendency was to focus on the short-run with a view of recovering investment as early as possible. By doing so necessary bases for long-term development were undermined or destroyed. In general, tendency was to do the minimum as required by the short-run perspective. For instance, in an effort to promote industrial investment, Central Bank of Sri Lanka conducted a survey among 5426 private organisations in 1984, and found that half of private sector companies did not plan at all: nearly one third had a planning horizon of one to two years and about one tenth had a planning horizon of over four years (Central Bank, 1984, as cited in Nanayakkara 1992). The reasons given were quite to be expected from those organisations: the insufficiency of resources, uncertainty of market for products, and problems of obtaining credit. When systematic long-term planning was foreign to management thinking at the organisational level, it was too foreign at the departmental level (Nanayakkara 1992).

In a study, Wijesiriwardana (1994), too, found that most of the companies that was studied did not have a formal HR policy though signs of informal processes were identified. Despite that, it was observed that senior management of all the responding companies acknowledged the role of HR and the need of developing HR (Wijesiriwardana 1994). Further, Sivanesan (2000) also observed that Bank of Ceylon did not have a corporate policy for the development of its managerial staff. In fact, staff development has gained greater significance in the Bank on one hand in view of the financial sector reforms taking place in Sri Lanka and on the other hand technological innovations in the banking industry (Sivanesan 2000). Further, Wijetunge (1992) observed that though there was a suggestion to set up a separate staff development unit within Department of Post, that never came to be a reality.

Under the liberalised policies though steps have been taken by professional bodies to popularise concepts of strategic planning, it had not been widely practised in Sri Lanka (Jayasena 1987). In commenting on strategic planning situation in Sri Lankan organisations, Kite (1996), a former director of strategy and planning for AT&T (USA), said "unfortunately for the most part in Sri Lanka, strategic planning as it has been practised has really been 'strategic programming' of old data, current visions and strategies with little or no thought of the future needs of the business". This view has also confirmed the earlier views on strategic planning in Sri Lanka.

When considering the studies conducted in other parts of the world, following have been revealed. In the Indian context, Budhwar and Sparrow (1997) found that out of 137 firms in six manufacturing industries, 18.2 per cent did not have HRM strategies, 35.8 per cent had unwritten strategies and 28.5 per cent had written HRM strategies. However, 54.5 per cent of the organisations felt that their HRM strategies were translated into clear work programmes. The results showed a low level of importance given to these in comparison to western countries (Budhwar and Sparrow 1997). Further, they note that, in reality, few HR specialists have taken a practical perspective and only few organisations have adopted a professional approach to the management of their HR; the HRM function still derives its direction from the corporate plans, instead of really influencing these plans. In the case of the Taiwan manufacturing industry, too, Hsu and Leat (2000) found that only 30 per cent of their sample had written statements of corporate strategies and HR policies; however, a further 30 per cent affirmed that there were unwritten corporate strategies and HR policies. Such instances also imply that Sri Lanka is not the only country that has to develop a strategic perspective. Further, these examples imply a considerable degree of scope and opportunity for HR managers to develop a strategic dimension to their role and to emphasise the formulation of written HR policies in the context of firms' overall organisational objectives and business plans.

Although it is important for HR managers to actively engage in the organisational board level decision-making and the HR function to be consulted about corporate strategy from the outset, Budhwar and Sparrow (1997) revealed inadequate representation of HR managers at the board level, in India. Out of 137 firms in six manufacturing industries, only 14.6 per cent consult HR managers at the outset, 34.3 per cent of the HR managers involved in the early consultation and 27.7 per cent of the HR managers involved in the strategy implementation stage. As HR managers felt it was important to have HR specialists on the board participating in the development of corporate strategy, they had not played a proactive role by being members of the senior management team and by participating in the development of corporate/business strategy (Budhwar and Sparrow 1997). Therefore, it has been suggested that by being involved in this stage HR managers would be in better position to develop an effective HR strategy and to institute

coherent and consistent HRM policies which could directly support the achievement of strategic goals (Hsu and Leat 2000; Budhwar and Sparrow 1997). Though Sri Lankan literature does not provide information on the state of HR managers' contribution in the strategy process, those suggestions might be applicable to Sri Lankan organisations, too. As one of the objectives of this study is to find out the importance given to the HR function in the organisational strategy in the export-oriented clothing manufacturing industry, the findings relating to this aspect is discussed in chapter 10.

Budhwar and Sparrow (1997), in the Indian context, show that systematic analysis and effective monitoring of development needs are important determinants of the importance given to HRD in the strategy process. In the case of Japan, Storey et al (1997) state that the close link between business strategy and the company's development provision is perhaps nowhere better demonstrated than in the realm of internationalisation. They (Storey et al 1997) observed that Japanese companies have been taking active measures to align the HR function with the business strategy. Though literature has not been found in the Sri Lankan context, it is important to give significant place to the HR function in the strategy process. Organisations have to emphasise the importance of the HR function at all the levels of the organisation, where HRD is not an exception.

With regard to HR department's involvement in the HRD activities, in the case of Taiwan, Hsu and Leat (2000) showed that around 73 per cent of the responding firms (of the total of 180) have HR manager to deal with. In contrast, in the case of Britain, Storey et al (1997) revealed the neglect of development function in several British companies. This shows the differences within two instances. On the other hand, in the case of India, Budhwar and Sparrow (1997) observed that a high degree of development responsibility lies with the line managers than in the case of the number of European countries. In the case of Japan, too, Storey et al (1997) observed that high responsibility lies with departmental heads and the individual; the separate HRD department has been given little emphasis. This shows that companies in India and Japan emphasise shared responsibility for development activities, where line managers are also an important element in the development process. The researcher feels that Sri Lankan organisations should also have to consider development as a shared responsibility, where all members of the organisation has a vital part to play. In the case of China, Benson et al (2000) state that the position of HR manager was not a specialised one and in all case study companies it was filled, usually on a rotational basis, by line managers. Further, little evidence was found on the strategic role played by HR managers. In line with this, the researcher feels that though organisations identify the importance of the contribution of HR professionals' there may be several Sri Lankan organisations, too, where specialists may not be available. This might be due to constraints on resources available. However,

organisations have to recognise that HR is also an important function, which can provide lot of guidance and help in the achievement of overall organisational objectives.

So far, an attempt is made to discuss the importance that has been given to the HR function in the organisational strategy process, using available Sri Lankan and regional literature. In the following section, top management support for the development function is reviewed.

Top management support for the development function

During the study Sivanesan (2000) found the lack of strategic orientation of MD and HRD activities; the majority of the respondent managers felt that top management did not take the development of managers seriously.

However, according to Silveira (2000) both private and public sector organisations jointly agreed on several facilities they provide for managers. Some of them were sponsoring development costs for short-term programmes on full payment basis, granting duty leave for short-term development programmes and paying annual professional association membership fees (local and foreign). But top management allowed managers to undergo long-term development programmes leading to postgraduate degrees or equivalent only if those do not impair with managerial workload (Silveira 2000). In the Indian context, Budhwar and Sparrow (1997) felt that only lip service exists in all the Indian organisations surveyed. However, in the Australian case, Smith and Hayton (1999) observed several situations where senior managers believe that development has to serve strategic purpose and pledged their commitment to the development of their employees. On the other hand, Karpin Report (1995, as cited in Avery et al 1999) identified that Australian managers take too little responsibility for long-term learning; few enterprises being convinced of the importance of MD for their future. Based on these examples, one can assume that top management support can vary not only between countries but also within organisations in the same country. Though literature has not been found in the Sri Lankan context, one can assume that such mixed situations would not be alien to Sri Lanka too.

According to Clarke and Metalina (2000), the Russian private sector enterprises tend to use specialised commercial educational institutions to provide development programmes for professional staff. However as such commercial courses had been very expensive and there had always been a risk that those who had been given development opportunities would leave, most enterprises had been using probation period as a substitute for development. On the other hand, if further development needs were identified, they were most often left to the initiative of the individual employee, who may be encouraged by prospects of promotion to undertake correspondence or evening courses at his/her own expense (Clarke and Metalina 2000). Similar findings were also

revealed by Fields et al (2000) in the context of Hong Kong. They found that firms faced with greater competition were less willing to invest in development programmes for both newly recruited and existing managers anticipating that they would be raided by the competitors. On the other hand, Hong Kong firms spent a good deal of the turnover in raiding managerial talent of their competitors (Fields et al 2000). Those instances clearly provide top management attitudes for the HRD function. However, in the case of sub-Saharan Africa, Grzeda and Assogbavi (1999) found that rather than being recommended for development activities, subordinates with potential for advancement were seen as a threat to manager's authority; consequently, subordinates' managerial skills were underrated and the delegation of responsibilities was avoided (Grzeda and Assogbavi 1999). In consequence, western MD techniques that rely on motivating individuals through security or social need fulfilment prove to be ineffective (Grzeda and Assogbavi 1999). The different attitudes of top management for employee development would have also been identified in the Sri Lankan context, if such studies had been conducted in Sri Lankan organisations.

However, Budhwar and Sparrow (1997) observed that, interestingly, the number of HR specialists moving to CEO's position have increased over the last few years. Such that according to Budhwar and Sparrow (1997) one out of every six CEOs of the top fifty companies in India was a HR specialist. One can assume that such appointments may have positive impact on the human resource aspects of the organisations.

5.4. Summary and conclusion

In the case of organisational level formal HRD programmes, the available Chandratilake's (1997) classification provides an idea about the nature of development focus in the Sri Lankan export-oriented companies. However, a classification that closely follows Mumford's (1997) classification has not been found in the Sri Lankan context. Chandratilake (1997) identified four main approaches to development in the Sri Lankan export-oriented companies, namely, job-oriented, person-oriented, organisation-oriented, and ad hoc approach. Those approaches describe details about the nature of development programmes at the individual level and at the organisational level. When considering MD approaches use by different countries, several different features can be identified. However, it is observed that even within a particular country context, enormous diversity of HRD arrangement can be identified. Enterprises in the same industry and serving similar markets can often be quite different in their approach to staff development. However, Japanese views on development effort clearly provide guidance to MD in Sri Lanka, where development effort is considered as a peripheral organisational activity.

It is documented in literature that the systematic approach to development was not uncommon. Therefore, an attempt has been made, based on literature, to identify HRD

situation and its features in Sri Lanka using systematic approach as a working tool. In the case of development needs identification, literature provides evidence to the existence of development needs identification in Sri Lankan organisations. Though in some cases the performance appraisal system had been linked to the needs identification to some extent, the proper link between the two systems was most often blurred. Further, absence of succession planning was evident. Therefore, succession plans did not provide information in identifying development needs. Furthermore, absence of talent inventories or databases in many companies was prominent.

In the case of setting development objectives, development effort is perceived as a short-term activity, development objectives were limited to provide employees with bare minimum skills required for executing tasks assigned to individuals. However in the cases where development effort was considered more as a means of developing individual competence than as a direct attempt at improving specific job related skills, the objectives might contain more of the individual level development aspects than the organisational level aspects. However, literature reveals that Sri Lanka is not the only country faced with such problems.

In the case of designing development activities, Sri Lankan literature has not revealed many details about development methods, content, development plans, and HR personnel's role in the designing process. However, with regard to the methods of development activities, several researchers found that organisations had over emphasised the importance of off-the-job development. With regard to the content of development activities, it was found that the majority of development programmes were knowledge/technical based, and low attention had been given to managerial skill development and in changing attitudes and behaviours. In Sri Lanka, the existence of development plans was less evident. In contrast, Japanese prefer long-term planning, where they adopt "slow-burn" development procedure; formal development programmes were typically not seen as the main route to development. However, it seems that this comprehensive Japanese HRD system could be changed or about to be changed due to the recent changes in the Japanese economy and its business sector.

In the case of implementing development activities, literature has shown that many organisations get involved by nominating participants for programmes as an obligation rather than with a concern or understanding of its relevance and importance to both organisation and its staff. Further, available literature also reveals that many participants sent in their applications to follow development programmes on their own initiative rather than that of their organisations. However, according to the HRD view, individuals do not have to rely on organisations for their development. In the HRD view more emphasis is placed on individuals' initiative for their own development. It is also stated in literature that

sometimes it is difficult to get release for such development activities from normal organisational duties.

In the case of validation and evaluation of development activities, though many Sri Lankan researchers emphasise the need of validating the transfer of skills from the development activities to work place, the validation process had not properly administered. In the case of evaluation, though HR professionals are under pressure to increase the practical relevance and the delivery of immediately applicable skills, the task of evaluation is a challenge as cognitive skills are difficult to observe and measure, and behavioural changes take time to be affected. In the instances where development opportunities were provided through organisation based development institutions, it is revealed that such institutions did not involve in follow-up and monitoring activities to help staff to transfer their skills to the workplace. The researcher finds this as an important issue, where steps have to be taken to improve the involvement of HRD professionals in the post-development situations.

When considering the problems faced by Sri Lankan organisations in the provision of development activities, it is revealed that MD was going through a multiple crisis situation. Four elements of the crisis were identified as responsibility, isolation, relevance, and confidence. In the crisis of responsibility, top management considered MD as a task of development officer or line manager; the majority of line managers did not consider developing their staff as their own responsibility with the perception that it is a responsibility of external development institutes. Second, lack of isolation had resulted in lack of communication and co-ordination in MD efforts. Third, the crisis of relevance emerged when development focus was mainly the individual and not the total organisation or work groups within an organisation. Finally, the crisis of lack of confidence was a result of trainers, trainees and line managers losing confidence in the value of development imparted. In the Sri Lankan context, there has been no hard data on any evaluation done on the benefits of development. However, this situation is not only prevail in Sri Lanka, the several forms of crisis faced by different countries can also be identified from literature.

Organisations must adopt a wider, macro perspective and accept that employee development is an integral part of the organisation's overall strategy. Another an equal important element is top management support for the HR function. When considering the importance given to the HR function in the organisational strategy, although one can assume that under the liberalised policies, strategy-making process might have improved, literature revealed that planning was not considered as a pre-requisite to success. The predominant tendency was to focus on the short-run with a view to recovering the investment as early as possible. By doing so, the necessary bases for long-term

development was undermined or destroyed. Further, many organisations do not have a formal HR policy though the signs of informal processes had been identified. This contrasts with the notions held by the counterparts in the developed world. When considering the top management support for the development function, it is revealed that because of the lack of strategic orientation of MD, top management did not take development of managers seriously. It is observed in other countries that there was an increasing tendency of HR specialists moving to CEO's position; one can assume that such appointments may have positive impact on HR aspects of the organisations. However, Sri Lankan literature has not revealed many details.

Overall, it is evident that countries from different parts of the world have their own distinguishable features and value systems. As reviewed in literature, in chapter 3, it is possible for them to take their own practices that are more familiar to them, when they go abroad. Further, it can be expected that management concepts and practices that are used in the host country may reflect their specific management concepts with some distinguishable features. On the other hand, it can also be expected that local businesses may learn about the international business partners' management practices; in consequence, foreign and joint venture may have an impact on making changes in MD practices in the Sri Lankan enterprises. Therefore, in the study an attempt is made to explore the general nature of the MD and differences in MD practices across companies of different ownership in the Sri Lankan export-oriented clothing manufacturing industry.

In the light of the existing HRD situation in Sri Lanka, the features of clothing manufacturing industry and the nature of HRD in this industry is discussed in the next chapter.

Chapter 6

Export-Oriented Clothing Manufacturing Industry in Sri Lanka

6.1. Introduction

In this chapter the nature of Sri Lankan export-oriented clothing manufacturing industry is reviewed. For simplicity, the chapter is divided into four sections. First, in section 6.2, Sri Lankan export-oriented clothing manufacturing industry is dealt with in terms of early beginnings, the role played by the industry in the economic development and foreseeable challenges. Second, in section 6.3, the institutional framework and structure of the Sri Lankan export-oriented clothing manufacturing industry are dealt with. Third, in section 6.4, the main features of the export-oriented clothing manufacturing industry are dealt with. Finally, in section 6.5, HRD in the export-oriented clothing manufacturing industry is dealt with.

6.2. History, role and foreseeable challenges of the export-oriented clothing manufacturing industry

The export-oriented clothing manufacturing industry is also known as "export-oriented apparel manufacturing industry" or "export-oriented garment manufacturing industry". As enterprises that produce ready-made garments for the local market have not been considered to be a part of the export-oriented clothing manufacturing industry, the mere term "clothing manufacturing industry" is used instead of "export-oriented clothing manufacturing industry" through out the study.

In this section history, role, and foreseeable challenges of the Sri Lankan clothing manufacturing industry is discussed, respectively. Therefore, in sub-section 6.2.1, early beginnings of the clothing manufacturing industry and factors that influenced the Sri Lankan clothing manufacturing industry to grow and spread faster are discussed. In section 6.2.2, role played by the clothing manufacturing industry in the economic development of the country is discussed. In section 6.2.3, foreseeable challenges are discussed.

6.2.1. History of the clothing manufacturing industry in Sri Lanka

The history of the clothing manufacturing industry in Sri Lanka can be divided into two stages: period from 1950s to late 1970s and period after late 1970s.

During early 1960s, Sri Lanka first began to promote the clothing manufacturing industry as an import substitution industry. The clothing manufacturing industry was mainly run by the private sector and large share of the industry was in the hands of a few leading companies. Further, almost 100 percent of the clothing produced by the industry were for

domestic consumption. Thus, there were hardly any exports till late 1960s (Karunatilake 1999).

It was in the late 1960s that Sri Lankan ready-made garments began to break into export markets. By 1966, few clothing manufacturers exported to the value of Sri Lankan Rupees 327, 375 to markets in the USSR, France, Pakistan, Maldives and Thailand. Between 1965 and 1969 the value of output of the industry had increased nearly four times over the 1965 output of Sri Lankan Rupees 29 million (Economic Review 1989).

The period after the late 1970s saw a rapid expansion in the clothing manufacturing industry in Sri Lanka. The impressive growth witnessed in the clothing manufacturing industry during this period can be attributed to two major factors.

The first factor is the market-oriented liberal economic policies introduced in 1977. The market-friendly economic reforms, which identified the private sector as the engine of growth, placed greater emphasis on export-led industries. The supportive measures taken by the government such as exchange-rate devaluation, subsidy and duty rebate schemes, duty-free imports of machinery and raw materials, lower corporate taxes including tax holidays, and the availability of easy trainable low cost labour made Sri Lanka an attractive place for the clothing manufacturing industry (Karunatilake 1999).

The second important factor, which has contributed to the remarkable expansion of the Sri Lankan clothing manufacturing industry, is the Multi Fibre Agreement (MFA), which came into effect in 1974. The MFA introduced a quota system for the exports of clothing products to developed countries by limiting the quantity of garments that could be exported by a developing country to any single developed country. The clothing exporting countries have been granted export quotas under this agreement. Thus, the quota holding developing countries have been ensured a guaranteed market. The quota system adversely effected countries like Hong Kong, South Korea, Taiwan, which were advanced in garment manufacturing at the time MFA was introduced. At the same time the quota system allowed countries like Sri Lanka and Pakistan to enter into the industry with guaranteed markets. This resulted in a rapid growth in the world clothing manufacturing industry during mid 1980s (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001).

A significant feature of the international clothing manufacturing after the introduction of MFA is "quota hopping" foreign investments, i.e., relocation of production facilities into the quota available developing countries. This quota hopping investments emerged due to the exact nature of the clothing manufacturing industry.

Clothing manufacturing is a labour-intensive production. It neither depends on heavy capital investment nor long lead-times to establish a manufacturing facility. But, the rate of return on investment is high. Fabrics or textiles are the single largest input used in this industry accounting for 60-70 percent of the finished products and are readily available world-wide at competitive prices. Therefore, the price of the output in the global market mainly depends on the cost of labour and the cost of overheads. As long as the cost of labour is low, any country may be able to run this industry as a profit-making venture. Therefore, the clothing manufacturing industry is generally referred to as a "foot-loose" industry moving from country to country, where cost of production is low.

Sri Lanka is one of the countries that benefited from "quota hopping" investments, with the introduction of market-oriented liberal economic policies in 1977. The overseas manufacturers of garments who relocated their production facilities to Sri Lanka include firms from both East Asia (Hong Kong, Taiwan, South Korea and Singapore) and Europe. While the East Asian firms have moved their operations mainly as a means of "quota hopping", the European countries, such as Germany and the UK have moved their operations mainly due to rising production costs in their home countries. Given the easy separability of the clothing manufacturing process into different stages, these overseas producers have been able to disintegrate their production lines without much difficulty into countries, like Sri Lanka, where production cost is low. (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001; Waidyanatha 1999).

Investment by East Asian and European manufacturers fuelled the growth of the Sri Lankan clothing manufacturing industry to a large extent. At present, several clothing manufacturing companies have been set up in Sri Lanka as foreign/local joint ventures and wholly foreign owned companies. Sri Lanka's liberal economic conditions, low labour cost and, more importantly, under-utilised quota prompted a fairly large number of local entrepreneurs into the clothing manufacturing industry (establishments with about 10 employees or micro-enterprises that usually produce ready made garments for the local market are not considered to be part of this industry). As a result, the majority of clothing companies are currently owned by local industrialists. However, except for the limited number of firms, the production volumes of local manufacturers have been rather small. In fact, companies set up as foreign/local joint ventures and wholly foreign owned companies account for more than one third of the output of the Sri Lankan clothing manufacturing industry (Karunatilake 1999; Dissanayake 1992; Economic Review 1989; Senanayake 2001; Athwela, 2001).

The role of the Sri Lankan clothing manufacturing industry in the economy is presented in the following section in the light of the history and growth of the Sri Lankan clothing manufacturing industry.

6.2.2. Role of the clothing manufacturing industry in the Sri Lankan economy

At the time Sri Lanka began to pursue liberal economic policies in 1977, the clothing manufacturing industry played only a minor role in the economy. In the light of broad-based economic liberalisation and benign impact of the MFA, the industry has recorded a remarkable growth and assumed a key role in the economy. The clothing manufacturing industry, which had modest beginnings in the late 1960's, began to show dynamism and vitality throughout the 80s and has become the leading manufacturing and export industry in Sri Lanka by 1990s. And also it has emerged to the position of the country's main export earner and the largest single employment provider in the industrial sector. Hence, the expansion of the clothing manufacturing industry is phenomenal and outstanding to the entire history of the industrial sector of Sri Lanka (Fonseka and Fonseka 1998; Karunatilake 1999; Central Bank of Sri Lanka 1998).

In terms of the provision of employment opportunities, by the end of 1996, the manufacturing sector of the country, as a whole, represented about 14 per cent of the 5.5 million of the country's total employed workforce. Approximately 40 per cent of those engaged in the country's manufacturing sector were engaged in the clothing manufacturing industry. The number of employees in the clothing manufacturing and allied industries exceeds 300,000 and is second only to the plantation sector (Karunatilake 1999). Being a highly labour-intensive industry, this industry has been successful in absorbing a fairly large number of workers. In addition, the clothing manufacturing industry is also expected to grow during the next five years, and it is expected to generate additional employment opportunities (Tennekoon, Online).

As the leading foreign exchange earner, the clothing manufacturing industry has replaced the tea industry - the traditional front line export industry. The growth of clothing exports has been highly impressive. In fact, this has now become the largest industry within the manufacturing sector. For instance, during the period of 1980 to 1999, the value of clothing exports increased from US\$ 100 million to US\$ 620 million. In terms of quantity, exports grew from 52 million pieces to 212 million pieces during the same decade. The clothing manufacturing industry has become the largest foreign exchange earner (US\$ 4 million) by 1992. By 1995, clothing exports exceeded US\$ 15 million, which is nearly half of all commodity exports. In 1996, the clothing sector accounted for 41.4 per cent of the country's total export earnings. Of the 74.8 per cent contribution made by the industrial exports to the total exports, in 1998, the clothing manufacturing industry accounted for 61.88 per cent of the industrial exports (Karunatilake 1999; TT&SC 1999; Tennekoon, online). The table 6.1 shows the extent to which Sri Lankan export economy has become dependent on the clothing manufacturing industry.

Table 6.1: Export earnings of the clothing manufacturing industry

Year	Total exports (US\$ Million)	Industrial exports (US\$ Million)	Industrial exports as a % of total exports	Clothing Exports (US\$ million)	Clothing exports as a % of total exports	Clothing exports as a % of industrial exports
1990	1904	1032	54.2	620	32.6	60.08
1991	1933	1192	61.7	743	38.4	62.33
1992	2337	1680	71.9	1069	45.8	63.63
1993	2784	2047	73.5	1258	45.2	61.46
1994	3174	2372	74.7	1379	43.4	58.13
1995	3613	2721	75.3	1569	43.4	57.66
1996	3993	2936	73.5	1654	41.4	56.34
1997	4639	3436	72.6	2052	44.2	59.72
1998	4735	3544	74.8	2193	46.3	61.88
1999 Jan-May	1631	1229	75.4	768	47.1	62.49

Source: Central Bank Reports (as cited in Tennakoon 1999, p 9).

When the role played by the Sri Lankan clothing manufacturing industry in the world market for clothing is considered, Sri Lanka's share in the global export-oriented clothing manufacturing industry has been negligible. The share of Sri Lankan clothing exports was only around one per cent of the total world exports in the year 1999. However, under the quota regime, Sri Lanka is enjoying relatively assured export market for clothing mainly through bilateral agreements with United States, European Union, Canada, Norway, Sweden, and Finland. However, Sri Lankan clothing exports has been highly concentrated (65%-70%) in a single market, which is the USA. Sri Lanka's second biggest market has been the EU. The USA and the EU continue to dominate Sri Lanka's international markets for clothing exports accounting for over 90 per cent of the total exports in 1997. Based on the past export performance, Sri Lankan clothing exports probably will maintain its share in these two markets for a foreseeable future (Waidyanatha 1999; TT&SC 1999; Dissanayake 1992).

Foreseeable challenges to the Sri Lankan clothing manufacturing industry is discussed in the following section in the light of the role played by the industry in the economic development of the country.

6.2.3. Foreseeable challenges

Comparative advantages, which Sri Lanka has been enjoying, such as the availability of quotas, the availability of comparatively low cost skilled labour, liberalisation policies, incentives, infrastructure facilities, strategic location, etc, have been its core-strengths to the success of the clothing manufacturing industry during the last 25 years (Saheed 1999; Waidyanatha 1999; Dissanayake 1992). The success of the clothing manufacturing

industry bred more success. The income generated by this industry has helped considerably in overcoming foreign exchange shortages, and the vast employment opportunities generated has helped to ease youth unrest in most of the rural areas. However, the Sri Lankan clothing manufacturing industry is faced with foreseeable challenges.

Most of the challenges come from the changing nature of the competition. There has been a continuous search on the part of the entrepreneurs for lower cost locations, making it a "foot loose" or a highly mobile industry. In International Economics this phenomenon has come to be termed the principle of shifting comparative advantages. The industry is relatively low skill and labour intensive operation. The labour intensive components of the production have ever been shifting to low wage countries. Thus, with rising wages, the industry moved from the Europe and the USA to Japan and then to the "tiger economies" of Hong Kong, South Korea and Taiwan. With rising wages and quota imposition on these East Asian economies by the West, the production shifted to other Asian countries, such as Thailand, Philippines, Indonesia, China, India, Pakistan, and Sri Lanka. The production has, again, recently shifted to still lower labour cost bases, such as Laos, Cambodia, Bangladesh, and Vietnam in Asia, and to other low cost countries in Eastern Europe, such as Czech Republic, Poland, Bulgaria and Hungary (Fonseka and Fonseka 1998). In the circumstances, Sri Lanka will also face competition with other developing countries. The countries like India, Bangladesh, Pakistan, Vietnam, Cambodia, Laos, etc would pose a threat for the USA, the EU and other developed markets. However, it is very likely that the real threat will come from Latin and Central American, Caribbean, East European, North African countries not only due to proximity to the American and European markets but also due to geo-political considerations.

This threat from competitors has not been major as Sri Lanka as well as other clothing manufacturing countries that export clothing to developed world, have been protected under the Multi Fibre Agreement (MFA). However, this industry stands at cross roads and faces the imminent phasing out of the MFA in the year 2005. Therefore, the year 2005 would make an end to the world-wide system of managed trade in clothing, which came into existence in 1974. With the quantitative restrictions perpetrated by the MFA coming to an end, the World Trade Organisation (WTO), which replaced the GATT, has ushered in a restriction-free world trade. The agreement of clothing as part of the GATT 94 has set out a time period of 10 years from 1995 to 2005 for phasing out of MFA quotas and integration of clothing trade into WTO framework. Under the quota regime, Sri Lanka, like other clothing exporting countries, has enjoyed relatively assured export market for clothing through bilateral agreements with the developed world. With the phasing out of MFA quotas, clothing exporting countries will be competing intensively with each other for market share without the protection of bilateral quota system. In real terms the integration

of MFA to WTO rules challenges, the very foundation on which the Sri Lankan clothing manufacturing industry has been built (Tennakoon 1999; Fernando 1999; Saheed 1999).

However, on the eve of the phasing out of the MFA, contrasting views have been expressed on the future of the Sri Lankan clothing manufacturing industry. One of the optimistic views were published in Japanese Textile and Garment Newsgroup Quarterly (1995), which states that:

"All in all, the Sri Lankan garment industry will grow rapidly for the next 20 years and there are no signs of Sri Lanka losing its competitive advantages in garment exports to new comers such as Vietnam and Cambodia"

(Japanese Textile and Garment Newsgroup Quarterly 1995 as cited in Karunatilake 1999, p 19)

In contrast, there were more pessimistic and cautious views. A study by Page and Devenport suggests that Sri Lanka would be among the net losers from the phasing out of quotas (Karunatilake 1999) while Central Bank of Sri Lanka, commenting on the clothing manufacturing industry of Sri Lanka, warns that:

"...therefore, it is important to recognise that Sri Lanka, as well as other developing countries, who have benefited from the present quota system, will have to face effectively a more competitive trading environment in the foreseeable future and to be prepared with necessary structural changes in the industry to meet this challenge"

(as cited in Karunatilake 1999, p 19)

However, the reality is that the impressive growth in clothing exports achieved by Sri Lanka has been matched by Philippines, Bangladesh, and the Dominican Republic and surpassed by Poland and Mexico. China, with its enormous supply capability and competitive prices, is likely to emerge as one of the strongest competitors in the global clothing manufacturing industry (Fonseka and Fonseka 1998).

Hence, certainly there is a need to be excited and cautious and to draw the resources at Sri Lanka's command to counteract the ill effects, if there are any that might come with the abolition of MFA (Tennakoon 1999). In terms of economic stability and employment generation, the clothing manufacturing industry is in the lead since 1977. The income generated by this industry has helped considerably in overcoming foreign exchange shortages. That is why this industry is vital to Sri Lanka. During the past 50 years, after independence, various large-scale heavy industries as well as medium scale industries were established in Sri Lanka. But with the increasing competition and gradual opening up of the economy, many industries have been closed down due to non-profitability while others have become a burden to the country. The only and the main industry that survived is the clothing manufacturing industry (Waidyanatha 1999; Weerasooriya 1996). As such, it is incredible to think of diversifying the industrial base to other industrial

sectors to reduce the over dependency in this single sector, in a short-run. Thus, in this crucial juncture, the main option available to Sri Lanka is to sustain growth momentum of the past is by taking appropriate preparatory measures to make it a sustainable industry beyond 2005.

In summary, the policy makers of today have placed heavy emphasis on the clothing manufacturing industry as a means of promoting employment and generating foreign exchange earnings; thus, as the main contributor to the overall economic development. No doubt the global demand for items produced in the industry has been on the increase and the industry has been expanding more or less at the same rate or a higher rate. Yet one has to be mindful of the foreseeable challenges for the clothing manufacturing industry, which may become weaknesses or threats in some point in the foreseeable future.

The institutional framework and structure of the Sri Lankan clothing manufacturing industry is discussed in the following section in the light of the background gained from the above sections.

6.3. Institutional framework and structure of the Sri Lankan clothing manufacturing industry

Each clothing manufacturing company in Sri Lanka is relatively self-sufficient: it processes fabrics, and accessories, to a ready-made garment. Further, each and every company is registered under the Company Law as a legal entity (Senanayake 2001).

Board of Investment of Sri Lanka (BOI), an autonomous statutory agency operating directly under the President, is the primary government authority responsible for the investment in Sri Lanka (BOI, a). Board of Investment of Sri Lanka function as the apex agency of the government of Sri Lanka by identifying, promoting and facilitating activities in respect of both foreign and local investment, without preference (BOI, a). According to the Sri Lankan government regulations, all foreign investment (100 per cent foreign owned and foreign/local collaborated) should come into the country through BOI (BOI, a). The principle law applicable to investment is BOI Law, No.4 of 1978, and amendments introduced in 1980, 1983, and 1992 and regulations made under the Act (BOI, a). Until October 2000, the total number of 207 clothing manufacturing companies had been established under BOI (BOI, 2000a). A detailed description of BOI is provided in chapter 7 under the population of the study.

Based on BOI sources, the structure of the clothing manufacturing industry could be looked into in terms of "ownership type" and "investment size".

The BOI registered enterprises are classified into three categories based on the ownership type: 100 per cent foreign owed, collaboratively owned by both Sri Lankan and foreign investors, and 100 per cent locally owned. As mentioned in section 6.2, since 1977, several clothing manufacturing companies were set up in Sri Lanka as foreign/local joint ventures and wholly foreign owned companies other than local companies. Based on BOI information (BOI, 2000b), clothing manufacturing companies operate in Sri Lanka can be classified in terms of ownership type as shown in table 6.2.

Table 6.2: Clothing manufacturing companies in terms of "ownership type"

Ownership type	Number of companies
100% Local	82
100% foreign	68
Local-foreign collaborated/joint ventures	57
Total	207

Source: BOI, 2000b

The above mentioned foreign and collaborated (joint venture) companies can be, further, classified in terms of the continent of origin as shown in table 6.3.

Table 6.3: Ownership of the companies by the continent of origin

Continent of origin	Number of companies
<i>100% foreign to Sri Lanka = 68</i>	
European	12
American	2
Asian	48
Mix	7
<i>Collaborations with Sri Lankans = 57</i>	
European	14
American	5
Asian	32
Mix	6

Source: BOI, 2000b

By investment size, BOI classifies companies with total project investment exceeding US\$ 8.0 million (Sri Lankan Rupees 500 million) as a large scale project (BOI, a). However, BOI does not provide a "term" to describe companies that do not come under large-scale projects. Therefore, the researcher has called them as "non-large scale project". Table 6.4 shows the classification of clothing manufacturing companies in terms of investment size.

Table 6.4: Clothing manufacturing companies in terms of "investment size"

Investment size	Number of companies
Large scale	7
Non-large scale	200
Total	207

Source: BOI, 2000b

According to the table, only 7 companies out of 207 belong to the category of large-scale investment. Therefore, it is evident that the majority of clothing manufacturing companies come under non-large scale investment projects.

Main general features of the Sri Lankan clothing manufacturing industry are presented in the following section in the light of the institutional framework and the structure of the industry.

6.4. Main features of the clothing manufacturing industry

In the following sections main general features of the clothing manufacturing industry are presented in terms of administration system, job categories and manpower analysis, and labour turnover.

Administration system

Though clothing manufacturing industry has emerged to the position of the country's main export earner and the largest single employment provider in the industrial sector, the level of sophistication achieved by the industry has been very low (Fonseka and Fonseka 1998). Strategy has not been company-driven, but driven by foreign buyers/intermediaries. The clothing sector has done minimum in the area of product development. The designer label ownership lies with the foreign buyer or principal, and the products with the same label have been manufacturing in different countries. For this reason, there has been minimum loyalty of the foreign buyers to the Sri Lankan clothing suppliers. As brand names and labels have been owned by overseas buyers, they provide all product details to the manufacturers. Further, foreign buyers/intermediaries control the distribution channels and handle the entire overseas marketing operation. Hence, minimum resources have been allocated for research and development of the clothing manufacturing industry by the private sector and by the government (Fernando 1998).

In those circumstances, the Sri Lankan clothing manufacturing industry has most often engaged in pattern making, cutting, stitching and packing operations only. Product development, designing, marketing and distribution channels have been looked after by the foreign joint venture partner or the foreign principal (Fernando 1998). Therefore, Sri

Lanka has been maintaining a stand of being only a manufactured clothing supplier. However, there are some companies that move towards an alternative strategy of differentiation by entering into the area of product development to satisfy the ever demanding and sophisticated consumers. According to the sources, there are excellent investment opportunities in the production for up-market - higher quality and better designed garments to meet the needs of sophisticated markets - around the world, which may not be affected by the problems expecting after 2005 (BOI, a).

Generally, all clothing manufacturing companies have some sort of foreign connection as the industry is catering for the foreign markets. The clothing manufacturing companies that had already established joint venture partnerships with foreign investors have access to foreign financial resources at the corporate level. The companies that have been established as BOI companies have access to foreign currency borrowings, which are at relatively cheaper rates than Rupee finance, while others have to resort to local banks for credits (Fernando 1998). Most often the accounting systems have been well planned with the aid of the foreign collaboration, with facilities for cost budgeting.

Though the main driving force for most of the companies has been the obtainment of the annual quota from the government, the quota allocated has not always been sufficient to keep a company working at full capacity throughout the year. This compels producers to purchase additional quotas or to secure extra orders by finding new buyers. Therefore, companies have been continuously preoccupied with production planning of a short-term nature with very little strategic or futuristic planning, with the exception of the companies that have been established as fully foreign owned or collaboratively owned (Fonseka and Fonseka 1998).

When considering the future direction of an organisation, account must also be taken of the environment within which it operates, both in terms of its competitive position and the external factors, that will create either opportunities or constraints. (Collins 1994). Therefore, the strategy the clothing manufacturing industry has to adopt depends on the trends, particularly the mega-trends, of the industry (Tennakoon 1999). With regard to competitive strategies, during past decades the cost of labour played an important role as the competitive strategy in the clothing manufacturing industry. The clothing manufacturing cost consists of labour and overhead cost and raw material cost. As long as cost of labour is low, any country may be able to run this industry as a profit-making venture. In the case of Sri Lanka, too, this has become true. As Sri Lanka has to import almost 90 per cent of the inputs necessary to manufacture clothing, profit is only available through labour cost. Hence, manufacturers are compelled and succeeded in maintaining low cost for labour (Fonseka and Fonseka 1998; The Island, 2002).

However, during the recent past the global competitive strategy of the industry has been changing. According to the present trends cost cutting along is not important. The external forces have been introducing new sets of conditions, such as quality issues (ISO 9000), environmental issues (ISO 14000), ECO labelling, Textile Magna Carta, Codes of conduct for manufactures, formation of economic and trade groups, etc (Tennakoon 1999). Above all, the quality of the finished goods has now considered as a very important factor, when it is marketed to the USA and Europe (Waidyanatha 1999; Saheed 1999; Bernard 1994). Thus, an attitudinal change has been gradually emerging. The former "Q", i.e., "Quota" driven mentality has been replaced by "Q", i.e., "Quality" (Saheed 1999). The requirement of consistently high quality of the items produced has recognised as the most important factor. Though fierce competition lies ahead due to no longer availability of relatively low cost labour, being in the clothing export market for more than quarter century, Sri Lanka is gaining competitive advantages in terms of quality (Fernando 1998; Fonseka and Fonseka 1998).

In the next section, another feature of the clothing manufacturing industry is presented, i.e., job categories and manpower analysis.

Job categories and manpower analysis

Job categories in the clothing manufacturing industry in Sri Lanka can be classified into four categories, namely, operator level categories, lower level managerial categories, middle level managerial categories, and senior level managerial categories. The relatively important positions within each job category are listed in table 6.5. However, this is not an exhaustive list as positions may vary from company to company. Especially, the classification of managers into grades of senior and middle are based on the grading systems adopted by clothing manufacturing companies, and the classification of similar posts into categories may vary from company to company. Therefore, following categorisation has been based more on the responsibility assigned than the designation itself (TT&SC 1999).

Table 6.5: Job categories and positions within each category

Job category	Positions within each category
Senior level managers	company manager, general manager, production manager
Middle level managers	assistant production managers, merchandiser, quality assurance manager
Lower level managers	pattern makers, quality controllers, supervisors, work study officers
Operator level categories	cutters, line checkers, final checkers, helpers, ironers, line leaders, marker maker, mechanics, packers, sewing machine operators, spreaders

Source: Textile Training and Services Centre (1999, p 20).

The first and the only survey that has been carried out to date on the Sri Lankan clothing manufacturing industry is the survey carried out by Textile Training and Services Centre (TT&SC), in 1999. The aim of that survey was to find out the present status and future trends of the clothing manufacturing industry to prepare a vocational education plan. Two of the demographic features that had identified by the TT&SC (1999) survey are as follows:

- With respect to age groups, the majority of middle managers were found to be in the age group of 25-29 years. The significant number of persons in the senior managerial categories was found to be over 40 years of age. In contrast, the majority of operative categories (59%) were found to be in the age group of 18-24 years. However, except in the management level, it is rather difficult to find someone above 40 years of age working in the operative category (TT&SC 1999).
- The gender distribution of the industry is female bias and the average percentage is as high as 89 per cent of the total employed. The average male and female employment ratio is approximately 1:7 and the average ratio of managers and operators is 1:20 for the industry. Ninety per cent of operator level workers were female. However, with regard to senior, middle and lower level managers, females are 16 per cent, 38 per cent and 72 per cent, respectively (TT&SC 1999).

In the next section, another feature of the industry, i.e., labour turnover is looked into in the light of the job categories and manpower analysis.

Labour turnover

High labour turnover is one of the main problems within the industry, and it is so high that percentage is worked out by the companies on monthly basis. Though reliable comprehensive data on labour turnover has not been available it is generally assumed that the average annual labour turnover is around 15 per cent in the clothing manufacturing industry (Tennekoon, online; Gunawardana 1999). However, some companies have reported 3 per cent monthly labour turnover, which amounts to 1/3 the employees at any given time being "new" (Tennekoon, Online). According to some other sources, average operational level labour turnover per company was about 60 per cent per annum, which indicates the magnitude of development activities (Gunawardana 1999). In the case of the managerial level, it is accounted for an average turnover of 5% per annum for senior and middle managers and 10 per cent per annum for the lower level managers (TT&SC 1999).

The difficulty in maintaining a stable workforce has caused severe management problems to many companies (Fonseka and Fonseka 1998). It is evident that production floor managers have to make a great effort to maintain quality and productivity requirements (Gunawardana 1999; Fonseka and Fonseka 1998). Hence, employees, especially middle and lower level, are subject to pressure. According to Tennekoon (Online), with the need to integrate with "global village" vision, combined with the pride of being the leading

foreign exchange earner, has put the clothing manufacturing industry into a highly stressful situation. Especially, lower level managers become the releasing valve of the pressure, where they resort to pressure tactics on operator level employees to keep to production and quality targets. The high rate of the operational level employee turnover in the industry demonstrates the need to raise the level of employee motivation and commitment. In this context, the style of leadership has an important bearing on employee motivation (Gunawardana 1999; Fonseka and Fonseka 1998).

It is also a fact that labour turnover does not necessarily mean that all employees leave the industry completely. There is a high migration of employees within the industry, looking for better prospects (Tennekoon, online; Fonseka and Fonseka 1998; Gunawardana 1999). Further, a considerable number of employees join the industry to obtain development opportunities and leave for foreign employment, especially in Middle East countries (Gunawardana 1999).

As the quality and productivity are the key terms in facing open competition, high levels of skills are required to achieve them. Some clothing manufacturing companies have shown a deplorable resistance for undertaking HRD activities lest it loses employees to competitors. Hence, one of the solutions given by Textile Training and Services Centre (1999) to reduce high labour turnover is to introduce proper selection and HRD systems. According to Tennekoon (Online), too, if all enterprises engage in HRD, loss by one of employees will be compensated by a gain of an employee from another enterprise. In this regard, upgrading managerial skills and developing more professional managers become an absolute necessity in building up professionalism and to maintain a stable workforce. Human resource development at all levels will not only improves labour and capital productivity, but also will reduce mental pressure of lower level employees resulting in reduced absenteeism and low labour turnover.

Human resource development in the clothing manufacturing industry is discussed in the following section in the light of the main features of the industry.

6.5. Human resource development in the Sri Lankan clothing manufacturing industry

When the enterprise is considered as a learning environment, the industry has the responsibility to develop new recruits, provide career development opportunities for employees, and reduce labour turnover to ease the pressure. These requirements can only be approached through HRD and better management (Tennekoon, online).

According to Textile Training and Services Centre (1999), job-oriented academic and professional off-the-job courses available on clothing manufacture in Sri Lanka appears to

be adequate. With the growth of the clothing manufacturing industry, institutions have been established by the public as well as private sector to cater to the increasing demand for qualified personnel. These institutions provide long-term comprehensive courses as well as short-term exposure to several programmes. With regard to the higher level professional skills development relating to the clothing manufacturing industry, the main state sector providers are Department of Textile and Clothing Technology of University of Moratuwa, Textile and Clothing Department of the Open University of Sri Lanka, Clothing Industry Training Institute (CITI) and Textile Training and Services Centre (TT&SC). The University of Moratuwa runs degree and diploma courses, which produce around 50 graduates and 50 diploma holders per annum for the textile and clothing sector. The Open University of Sri Lanka also run diploma, and certificate level courses aiming at the employed people (TT&SC 1999). Clothing Industry Training Institute (CITI) and Textile Training and Services Centre (TT&SC), on the other hand, which were established by the act of parliament in 1984, fill the vacuum that exist in the field of higher level professional and technical qualifications for the clothing sector. With regard to private sector participation in this field, Garment Industry Management Institute and Phoenix College of Clothing Technology provide courses leading to diploma and certificate courses. Output of these institutions meet the requirements of managerial and higher level technical grades of the textile and clothing manufacturing industry (TT&SC, 1999, 2001; CITI, 2000; Department of Textile and Clothing Technology, 2001; Phoenix College of Clothing Technology, 2001). With regard to the middle level skill development opportunities available for the clothing manufacturing industry, the state owned organisations, namely, Vocational Training Authority (V.T.A), and National Apprentices and Industrial Training Authority (N.A.I.T.A.) and National Youth Council offer middle level skill development courses. Private sector institutions such as Garment Industry Management Institute, Phoenix College, Sayanara Garments, Chance Lanka Garments and Chase Garments Training Institute are also involved in conducting courses for the middle level. These institutions run short-term programmes in different fields of the clothing manufacturing for school leavers and unemployed personnel (TT&SC 1999). With regard to the lower level skill development opportunities available for the clothing manufacturing industry, there are courses for novices who wish to obtain qualifications in basic skills, such as industrial sewing machine operation, cutting, sewing, and maintenance. Apart from the above courses, some companies carry out in-house programmes on skills upgrading for all categories of the operational level employees (TT&SC 1999; Gunawardana 1999).

The survey of TT&SC (1999) reveals that the industry used the public sector institutions to an extent of 39 per cent to develop their staff while the contribution from the private sector institutions had been low (approximately 8 per cent). Further, TT&SC survey (1999, p 33) found that approximately 50 per cent of the managers were developed using work based methods. However, in some rare situations managers were given

opportunities to go abroad for short-term programmes (3 per cent). However, it is apparent that this TT&SC study does not mention any details about the work based methods use to develop managers in the industry.

Several features can be identified in relation to internal company-based HRD programmes available in the industry. By the end of 1990s, in company development effort was primarily focused on the operator level, with little emphasis on upgrading managerial skills (Fonseka and Fonseka 1998). At the operator level, the main system adopted by the industry was short-term exposure to in-house programmes and continuation with on-the-job development programmes (TT&SC 1999). According to Gunawardana (1999) in many cases lower level managers were personnel promoted from the operator level without providing any additional development opportunities.

However, the ever-changing technologies demand higher skills, not only at the operational level but also at the managerial level, both in improving technical and behavioural skills (Tennekoon, Online; TT&SC 1999). However, TT&SC (1999) study does not place any emphasis on MD and on any internal company-based HRD activities. Therefore, there is a dearth of literature available on MD in the clothing manufacturing industry.

The available literature suggests that companies invest in HRD to develop skills to gain competitive advantage and thus HRD positively relates to greater perceived competition (Fields et al 2000). Concepts of TQM and ISO 9000 require having the best people in posts. In other words, it may become a business requirement, instead of flattering out to quality, to elevate standards of all employees by paying attention to them as individuals (Ross, 1992 as cited in Sumner 1993). Hence, it has been suggested that greater perceived competition would bring more effective, customised MD programmes, in the context of continuous organisational learning.

During the last decade, because of the fierce competition that lies ahead due to the entrance of new set of clothing manufacturers from the developing world, a competitive situation has emerged among Sri Lankan clothing manufacturers to obtain both ISO 9000 and ISO 14000 standards. Hence, the requirements of ISO have changed the nature of administration, especially labour management and HRD function, within the clothing manufacturing companies during the recent past years. Especially, ISO series have imposed new compulsory requirements in terms of the provision of HRD. Both ISO 14000 and ISO 9000 standards require staff to be developed (Rothery 1995, p 125). This situation has affected the HRD function in clothing manufacturing companies, during the recent past years.

According to ISO, development needs have to be carefully identified and procedures have to be established for the development of all personnel performing activities affecting quality:

"All executives, including the chief executive officer, should have a clear understanding of the quality system, its operation and the criteria of assessing its effectiveness. Middle managerial development programmes should cover two aspects. The 1st is their professional competence in the areas such as design, process engineering, testing and purchase management. The 2nd concerns the company's quality policy, quality system, documentation procedures and work instructions as applicable to their areas of responsibility. Supervisors' and workers' skills and competence have a decisive effect on the quality of the end product. These workers and supervisors should be provided with development opportunities in the areas of skills required for their tasks.

Either a person or a functional group should be given the responsibility for organising development programmes at various personnel levels. The HRD department may assign this task or the responsibility to the personnel officer. Every department concerned with quality should be asked to assess its development needs as well as the scope and level required. Departmental heads should identify the personnel to be developed. On the basis of this information, the officer in charge should organise sessions/classes in a systematic manner so that the personnel concerned can be developed within a defined timeframe. Particular attention should be paid to the development of newly recruited workers and personnel at higher levels".

(Sri Lanka Exporter 1995, p 51)

However, research evidence has shown that, when quality management evolves from quality control or quality assurance, it tends to focus on the "process" (technical) aspects of quality rather than on the "human" aspects (Kufidu and Vouzas 1998). Further, in many cases, the issue of HRD is addressed only on technical grounds and restricted to production employees. Studies showed that organisations that emphasise a process approach to quality tend to exclude HR department from the design and implementation of quality assurance systems such as, ISO 9000 series (Kufidu and Vouzas 1998). Further, those organisations that engaged in a quality assurance approach to quality improvement did not usually allow sufficient room for staff contributions and development effort was targeted only towards people involved in the production process. The HR department is usually a peripheral function engaged in a very traditional role - in most cases its role is limited and oriented towards increasing awareness of the quality standards and handling the administrative aspects of quality efforts (Kufidu and Vouzas 1998). On the other hand, research evidence has shown that organisations that aim towards an organisation-wide approach to quality seem to adopt a more productive and constructive approach to the management of HR. In such a approach, companies tend to upgrade the role of the HR department, to redesign and enhance the existing HR practices to fit into the quality plans and objectives, and to provide systematic HRD activities, relating to quality (Kufidu and Vouzas 1998).

However, according to Kufidu and Vouzas (1998), though there have been growing awareness of HRD programmes due to ISO, ISO certification was not the driving force behind the development of a more formal and systematic approaches to HRD in any of the organisations they had studied, but just a motivational tool for HRD. Further, in many cases, ISO 9000 standards are the first step organisations take in order to improve quality and develop formal HRD programmes.

On the other hand, in the Sri Lankan clothing manufacturing industry context, it is stated that attitude to HRD is somewhat different in some companies. Gunawardana (1999) states that, especially, with the establishment of a considerable number of foreign owned companies and Joint venture companies, a new system of labour relations and work ethics were "imported" to the country. Hence, foreign and collaborated companies work towards an identical vision having their own systems of managing people (Gunawardana 1999). It was well known that these organisations attempt to recruit qualified personnel and conduct in-house HRD programmes (Gunawardana 1999). Therefore in this study an attempt is made to identify differences in MD across companies of different ownership-foreign, local, collaborated.

When considering the role of the government in the aspects of employee relations, particular HRD, present economic order is such that the government has not been playing the role of a policeman but that of a facilitator. Yet, the government still has to monitor certain activities like payment of employee provident fund, environmental issues, safety standards, etc, on the wider interest of the nation and to maintain its own credibility on governance (BOI, b). However, neither government nor BOI has been monitoring activities concerned with HRD, among its labour standards and relations (BOI, b).

6.6. Summary and conclusion

The clothing manufacturing industry has emerged as the most important industry within the manufacturing sector; Sri Lankan economy greatly depends on the revenue generated by this industry in addition to the employment generated. The period after the late 1970s saw a rapid expansion in the clothing manufacturing industry in Sri Lanka. The introduction of open economic policies in 1977 has brought massive foreign investments into the clothing manufacturing industry. Investments by East Asian and European manufacturers fuelled the growth of the Sri Lankan clothing manufacturing industry to a large extent. At present, several clothing manufacturing companies were set up in Sri Lanka as foreign and local joint ventures and wholly foreign owned companies. Sri Lankan limited literature implies that attitude to HRD is somewhat different in some companies, especially, after the establishment of a considerable number of foreign owned companies and Joint venture companies. Further, the literature implies that new systems of labour relations and work ethics were "imported" to the country by these foreign

investors. However, to date studies that looked into differences in management practices across different ownership types, i.e., 100% foreign owned, collaboratively foreign and locally owned, and 100% locally owned, are not available.

Though at the beginning the Sri Lankan clothing manufacturing industry had developed as a quota driven industry, it is apparent that future direction has to take into account the environment within which it operates. The fierce competition lies ahead due to no longer availability of relatively low cost labour. However, being in the clothing export market for more than quarter century, Sri Lanka has to find another avenue for competitive advantage.

One of the main success factors of any organisation is its human resource, which needs to be carefully recruited, developed, nurtured and utilised. In the clothing manufacturing industry, HRD is a must to be competitive in the export market. Further, according to Fernando (1998) foreseeable challenges faced by the Sri Lankan clothing manufacturing industry are direct results of the poor management in the clothing manufacturing industry. Therefore, utilising HR at all levels is very important for the survival and success of the industry. With the improvements in HRD, one might be able to see a direct impact on increasing production, efficiency, quality, timely delivery, and reduction in cost per standard minute.

Above all, Sri Lanka needs managers capable of analysing the ever changing external and internal environment to face foreseeable challenges successfully, and to react successfully to some of the inappropriate features, such as short-term ad hoc planning, labour turnover, that prevail in the Sri Lankan clothing manufacturing industry. Thus, programmes to upgrade managerial skills and to develop more professional managers become an absolute necessity in facing the open competition in the quota free world beyond 2005. Hence, there is a need for the clothing manufacturing industry to invest a great deal in developing their managers to gain the maximum potential from them, which in turn contribute to enhance competitiveness in the world clothing export market.

Chapter 7

Framework and Design of the Study

7.1. Introduction

"A theoretical framework is a conceptual model of how one theorises the relationships among several factors that have been identified as important to the problem ...developing such a conceptual framework helps us to postulate and test certain relationships so as to improve our understanding of the dynamics of the situation"

(Sekaran, 1992, p30)

"The research design involves the planning of the actual study dealing with such aspects as location for the study, how to select the sample, and how to collect the data, and how to analyse the data"

(Sekaran, 1992, p30)

In this chapter framework and design aspects of the study are presented. First, in section 7.2, the framework of the study is presented. Second, from section 7.3, the designing aspects of the study, such as population and sample, methods of data collection, data analysing techniques are presented.

7.2. Framework of the study

As mentioned in chapter 4, there are number of different and equally successful ways of organising management in the market economy. Organisations from different parts of the world follow distinctive practices; these unique practices tend to be products of particular institutional environments within the originating countries. Thus, organisations from different parts of the world display significant differences in their organisational structures, control and planning systems, and managerial career structures, depending on their originating country.

As any organisation is more comfortable with the practices familiar to them, rather than learning new ones, it is evident from literature that when companies invest abroad, they try to retain and transfer their original practices to host countries. Researchers found that as organisations continue to globalise, they have tried to implement their original management practices in spite of cultural differences (Basu and Miroshnik 1999). For example, Basu and Miroshnik (1999) found that Japanese companies in the UK have tried to maintain their own management styles despite cultural differences and have succeeded in many ways. Further, in the Chinese study, Taylor (2001) found that Japanese managers are more comfortable with the practices familiar to them, rather than learning new ones, especially when they see their assignment in China as temporary.

On the other hand, when international business replicates partner experiential knowledge in a jointly owned organisation, one or all partners may have access to knowledge that would not have been available in the absence of collaboration (Inkpen and Dinur 1998). According to Schuler (2001) while firms can learn from the other partner, for example, knowledge about its products, technologies, and even the process of forming and maintaining a joint venture, they can also learn about the other partner, for example, its culture, management style, goals, and values. According to Lyles and Salk (1996), Hungarian joint venture managers have absorbed and adapted administrative and managerial skills of their Western parents from being exposed to ideas, concepts and processes over time. Further, Taylor (2001) observed the wish on both Japanese and Chinese management sides to adapt, to a certain extent, Japanese management practices in Japanese companies operating in China. Such knowledge transferred has been primarily in the areas of manufacturing processes and HRM (Inkpen and Dinur 1998). As companies from different parts of the world have their own management practices, one can expect to find significant differences in HRM practices across companies of different ownership in a host country.

However, in the majority of instances, basic features of the management system cannot be transplanted in a host country as in the same way that it was implemented in the home country (Basu and Miroshnik 1999). On the other hand, though business systems competing in world markets have to adapt to dominant patterns in those markets, this does not mean that they simply imitate and reproduce them (Whitley 1994). For example, Japanese have adopted two strategies. In one strategy, they have maintained practices as carried out in Japan, but accompanied with the modification of features of the US work environment. In the second strategy, they have modified Japanese practices, but maintained the current features of the US work environment (Cunningham et al 1996). Therefore, evidence suggests that foreign companies have deliberately sought not to impose their way of doing things, but rather to evolve a system that actually works in consultation with the employees of host countries, (Pang and Oliver 1988). Hence, evidence suggests that the question of transferability must be considered in the context of specific historical, economic, political and legal conditions and socio-cultural values of host countries. Therefore, it is an interest of many studies to explore the transfer of foreign management practices to host countries (Cunningham et al 1996; Basu and Miroshnik 1999; Taylor 2001; Lyles and Salk 1996).

Further, literature gives evidence that, once established, it is possible for international business partners not only to adapt but also to transform through mutual learning (Cunningham and Debrah 1996; Griffith et al 2001). For example, Japanese multinationals have tried to modify some or all of the Japanese practices, as well as the current features of the US work environment (Cunningham et al 1996). This shows that

learning in joint ventures can be a two-way process rather than a one-way process: it involves learning and change from both partners rather than one partner imposing "knowledge" to the other.

In general, literature provides evidence that international businesses' management practices govern how they set up and manage foreign operations. It is sometimes possible for foreign companies to transplant their domestic practices to overseas subsidiaries. However, in the majority of instances foreign companies have adopted and transformed the host country practices to a certain extent. Therefore, how ideas that have originated in one context can be learnt, adapted and effectively applied to another is of interest to researchers.

In widening a firm's strategic focus beyond the confines of its national boundaries, the human element becomes paramount (Bournois and Metcalfe 1991). However, attention has been mainly devoted to international comparisons of production systems, and comparison of HRM systems has until recently been overlooked (Sparrow et al 2000). Therefore, as mentioned in chapter 1, in the global arena, the importance of the issue has been increasing. Further, though differences in management practices have been discussed in general, little attention has been given in identifying its specific dimensions or how interpretations may vary across regions and countries based on MD (Hofstede, 1993). As MD is an important knowledge acquisition mechanism, one can expect that MD programmes help to provide mechanism to increase the likelihood of knowledge transfer. On the other hand, though there has been much scholarly and popular debate on the transfer of management practices in the context of Europe and America, much less attention has been paid to Asian countries (Taylor 2001; Cunningham et al 1996). Further, none of such studies have been conducted in the context of Sri Lanka, where international business operations have been increasing and have a high profile. Therefore, this study aims to discuss differences in MD practices in the companies of different ownership in the Sri Lankan clothing manufacturing industry.

In the Sri Lankan context, there are several major reasons for studying differences in MD practices across companies of different ownership in the clothing manufacturing industry. First, since 1977, in order to address socio-economic tensions, successive Sri Lankan governments have been adopting an economic strategy designed to promote economic growth and modernisation through industrialisation. The attraction of foreign investment and modern technology has become a critical priority. Inducements to foreign capital have been considerably enhanced by tax holidays and exemption from recognising trade unions. In response, the number of international businesses coming into Sri Lanka has been increasing. In the consequence, the researcher believes that foreign investors have

brought into Sri Lanka not only a substantial amount of investment with advanced technology, but also sophisticated management systems and expertise.

Second, due to the situation created by the first reason above, other than 100% locally owned companies (referred to as 'local' through out the thesis) 100% foreign owned (referred to as 'foreign' through out the thesis) and foreign/local jointly owned (referred to as 'collaborated' through out the thesis) companies operate successfully in the clothing manufacturing industry. Literature identifies characteristics such as unions, local government policies, etc can either encourage or constrain transfer of "home" HRM practices to a host country. In the Sri Lankan export-oriented clothing manufacturing industry investors have been provided with ample benefits and trade union activities have been prohibited by the government (BOI, a). Such situations provide opportunities for foreign companies to retain and transfer their "home" country HRM practices and to design and execute their own MD programmes. On the other hand, being under British rule for several centuries, the available literature provides ample evidence that colonialism has had a harmful effect on Sri Lankan indigenous practices of management (Wijewardena and Wimalasiri 1996). Further literature on HRD practices in the post-independent period reveals that most of the practices closely relate to the west (Chinniah, 1986; Manamperi, 1987; Manuratna, 1986; Nanayakkara, 1992; Wijewardena and Wimalasiri 1996). On the other hand, when companies are jointly owned (collaborated), the researcher believes that foreign and local partners may transform their own original ideas and may end up with somewhat different practices. Therefore, there will be distinctive differences in MD practices in the companies of different ownership - foreign, local and collaborated.

Therefore, in this study, emphasis has been given to identify differences in MD practices between local, foreign and collaborated companies in the Sri Lankan clothing manufacturing industry. In the study, in providing the basis for comparison, the researcher takes the stand that foreign companies will be more likely to apply MD practices than the other two types of ownership. Therefore, based on the main research questions raised in chapter 1, the following detailed research questions have been raised, and in relation to these research questions the following have been hypothesised:

1. To what extent do companies differ in identification of development needs of managers?

Hypothesis 1: There will be significant differences across ownership types regarding the frequency of identification of MD needs. It is expected that 100% foreign owned companies will be more likely to be involved in the identification of development needs than the other two types of ownership.

2. To what extent do companies differ in setting MD objectives?

Hypothesis 2: There will be significant differences across ownership types regarding the frequency of setting MD objectives. It is expected that 100% foreign owned companies will be more likely to be involved in setting MD objectives than the other two types of ownership.

3. To what extent do companies differ in designing and planing development activities for managers?

Hypothesis 3: There will be significant differences across ownership types regarding the frequency of designing and planning development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning development activities for managers than the other two types of ownership.

Hypothesis 4: There will be significant differences across ownership types regarding the frequency of designing and planning different formal development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning different formal development activities for managers than the other two types of ownership.

4. To what extent do companies differ in administration of MD activities?

Hypothesis 5: There will be significant differences across ownership types regarding the frequency of administration of MD activities. It is expected that 100% foreign owned companies will be more likely to be involved in administering MD activities than the other two types of ownership.

5. To what extent do companies differ in validation and/or evaluation of MD activities?

Hypothesis 6: There will be significant differences across ownership types regarding the frequency of validation and/or evaluation of MD activities. It is expected that 100% foreign owned companies will be more likely to be involved in the validation and/or evaluation of MD activities than the other two types of ownership.

6. Do companies have a strategic perspective? If yes, to what extent do companies differ in importance given to the HR function in the organisational strategy process?

Hypothesis 7: There will be significant differences across ownership types regarding the nature of importance given to the HR function in the organisational strategy process. It is expected that 100% foreign owned companies will be more likely to give high importance to the HR function in the organisational strategy process than the other two types of ownership.

7. To what extent do companies differ in HR managers' contribution to the organisational strategy process?

Hypothesis 8: There will be significant differences across ownership types regarding the frequency of HR professionals' contribution to the organisational strategy process. It is expected that HR professionals in 100% foreign owned companies will be more likely to contribute to the strategy process than the other two types of ownership.

8. To what extent do companies differ in the existence of HRD units?

Hypothesis 9: There will be significant differences across ownership types regarding the existence of HRD units. It is expected that 100% foreign owned companies will be more likely to have HRD units than the other two types of ownership.

9. To what extent do companies differ in top management support for the MD function within an organisation?

Hypothesis 10: There will be significant differences across ownership types regarding top management support for MD function within organisations. It is expected that top management in 100% foreign owned companies will be more likely to support the MD function than the other two types of ownership.

In the following sections designing aspects of the study, such as population and sample, methods of data collection, data analysing techniques are presented in the context of the framework of the study.

7.3. Population of the study

"Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate"

(Sekaran, 1992, p225).

In the study, an export-oriented clothing manufacturing company was selected as the unit of population. All export-oriented clothing manufacturing companies in Sri Lanka are self-sufficient: it processes fabrics and accessories into a ready-made garment. Further, each company is registered under the Company Law as a legal entity.

In the study, the researcher selected the export-oriented clothing manufacturing companies registered under Board of Investment of Sri Lanka (BOI) as the population of the study. There are four main reasons in selecting this as the study population.

The first reason can be explained as follows. In order to encourage foreign investors, with or without local collaboration, the government established Greater Colombo Economic Commission (GCEC) in 1978 and vested with powers to approve investments. In 1992, GCEC was reconstituted as Board of Investment of Sri Lanka (Central Bank of Sri Lanka, 1998). Since 1992, Board of Investment of Sri Lanka (BOI) is the primary government

authority responsible for identifying, promoting and facilitating both foreign and local investments in Sri Lanka (BOI, a). The principle law applicable to investments in Sri Lanka is BOI Law, No.4 of 1978, and amendments introduced in 1980, 1983, and 1992 and regulations made under the Act (BOI, a).

Though BOI welcomes investments virtually in all sectors of the economy, according to the available statistics, clothing manufacturing companies registered under BOI have created more employment opportunities than any other industrial companies registered under BOI (please see table 2 in appendix 1). Because BOI is the government authority responsible for investments in Sri Lanka and clothing manufacturing is the major industrial category under BOI, the researcher decided to select the export-oriented clothing manufacturing companies registered under BOI as the population of the study.

The second reason for selecting this study population can be explained as follows. It is compulsory by law that all foreign investments (100% foreign owned and foreign/local collaborated) should come into the country through BOI (BOI, a; BOI, c). In the study the researcher aims to look into management practices of foreign and collaborated companies. Therefore, this is the only study population that fulfil the requirements.

The third reason for selecting this study population can be explained as follows. The most valuable advantage investors obtain by registering under BOI is incentives and tax holidays. The Sri Lankan government offers a wide range of incentives and tax holidays for BOI investors- foreign, local or collaborated- without preference (a lengthy discussion of the structure of Sri Lankan clothing industry is provided in section 6.3, Chapter 6). However, locals (100% local investors) can establish and run companies with or without registering under BOI. The companies that did not register under BOI are known as non-BOI companies. Incentives and tax holidays, such as full tax holidays, exemption from exchange control, import duty exemptions on capital goods and raw materials, make significant differences between cost structure of BOI registered and non-BOI companies, though engaged in the same industry. Therefore, by considering the attractiveness of the tax holidays and other incentives offered by BOI, one can assume that all most all local investors, who can satisfy the BOI requirements, are willing to register under BOI. Therefore, by selecting this study population, the researcher believes that all local, foreign and collaborated (joint venture) companies that come under this study population are homogeneous in nature in terms of the cost structure of the companies.

The fourth reason for selecting this study population can be explained as follows. It is compulsory by law that all BOI registered companies should export at least 90 percent of the manufactured output (BOI, a; BOI, c). Therefore, again, the researcher believes that

all local, foreign and collaborated companies that come under this study population are homogeneous in nature in terms of business operations.

By considering all the four reasons explained above, the researcher selected the export-oriented clothing manufacturing companies registered under BOI as the population of the study.

At the time of the study, the total number of clothing manufacturing companies that had been registered under BOI is 207 (BOI, 2000b; BOI, 2000c). The list of clothing companies - the population frame of the study- was obtained from Research and Documentation Unit of BOI. The latest list of the companies the researcher was able to obtain by the end of September 2001 is the list of companies as at October 2000 (BOI, 2000c). The study population was identified and located from the information provided by Research and Documentation Unit (BOI, 2000c).

The sample of the study is presented in the following section in the light of the population of the study.

7.4. Sample of the study

"It is helpful to distinguish two objectives of sample surveys: the main purpose is generally to estimate certain population parameters. The second possible purpose may be to test a statistical hypothesis about a population".

(Moser and Kalton, 1972, p 62)

"The size of the sample refers to the number of units that needs to be surveyed to get precise and reliable findings. The units can be people, places, and things"

(Fink, 1995a, p 34)

In the study, the researcher is interested in achieving both objectives mentioned by Moser and Kalton (1972). Therefore, the study infer things about the population by studying characteristics of the elements taken from it in accordance with some specified probability sampling plan. As probability samples are considered representative; and hence, generalisable to the same and to similar populations from which they are drawn, it was decided to use probability sample plan (Black and Champion, 1976; Moser and Kalton 1972; Fink and Kosecoff, 1985; Flink, 1995b; Babbie, 1989). The researcher was able to satisfy the conditions of probability sampling as the list of the total population and its characteristics were provided by Research and Documentation Unit of BOI. Therefore, each company given in the list had an equal chance of being included in the subsequent sample.

As the main division among BOI companies is the ownership of the company: local, foreign, or collaborated, it is decided to stratify the sample based on the ownership of the companies. As the researcher is interested in obtaining a sample that have specified characteristics in exact proportion to the way in which those same characteristics distributed in the population, proportionate stratified random sampling plan was used. Further, the researcher used simple random sampling method for drawing the desired number of elements from each subcategory (local, foreign, collaborated). As already mentioned earlier, the researcher knew the composition of the population and the distribution of population characteristics prior to drawing the sample elements. It was decided to obtain a proportionate stratified random sample of 100 companies in terms of ownership. Table 7.1 provides information on how the study population is stratified and how it is proportionately broken down into a sample of 100 companies.

Table 7.1: Stratification of the study population

Ownership of the company	Frequency	Proportion of each strata
Local	82	40
Foreign	68	33
Collaborated	57	27
Total	207	100

Source: BOI, 2000b

As that will be discussed in detail in section 7.5, due to various reasons the researcher managed to obtain responses from 78 companies instead of 100. Hence, the actual number of companies that had participated in the study and its representativeness as a proportionately stratified sample is shown in table 7.2.

Table 7.2: Representativeness of the actual sample as a proportionately stratified random sample

Ownership of the company	Population		Sample		No of companies in the each category of the sample as a % of the no. of companies in each category of the population $[(b/a) \times 100]$
	No of companies (a)	%	No of companies (b)	%	
Local	82	39.6	32	41.0	39.0
Foreign	68	32.9	26	33.3	38.2
Collaborated	57	27.5	20	25.6	35.0
Total	207	100	78	100	

According to the table, the number of companies in the each category of the sample (local, foreign, collaborated) consisted of more than 35 per cent of the companies in the each category of the population.

There are disadvantages of collecting survey data from one source; researchers are encouraged to collect data using several sources. According to Ichniowski et al:

"Though surveys of establishments provide a vast amount of data that permit statistical analyses of HRM practices, the information from questionnaires tends to be biased if the data are generated from one source, typically HR managers. The obvious concern is that when there is only one respondent per establishment, any idiosyncratic opinions or interpretations of the questions can distort the results"

(Ichniowski et al, 1996 as cited in Bratton and Gold 1999 p 61).

Further, the value of talking to both managers and workers is also emphasised by Nichols:

"A study which systematically samples both managers and workers is always likely to provide at least some snippets of information that rarely surface in other accounts and to suggest different lines of interpretations".

(Nichols, 1986 as cited in Bratton and Gold 1999 p 61)

Therefore, in the study two different perspectives on MD is probed using two set of samples- HR managers and managers of the clothing manufacturing companies. Hence, two different survey questionnaires and interview guides have been prepared (please see appendix 2, 3 and 4).

In selecting a sample of 100 companies, initial contacts were made over the telephone using the random sample method within each strata until the required number of companies, for each strata, agree to participate in the study (please see table 7.2). The researcher had not faced any problem in selecting the sample of HR managers as there is only one HR manager per each randomly selected company. However, in the case where there was no HR unit and therefore no HR manager, the CEO or Managing Director of the company was selected. In the case of selecting managers, it was decided to get a total sample of 500 managers (100×5). Therefore, 5 managers, who are not working in the same section, were selected from each company. By selecting managers in this way, the researcher believed that bias would be minimum as every manager employed in any section of the randomly selected clothing manufacturing company has an equal chance of being chosen (Frey and Oishi 1995). (The administration of questionnaires and interviews are discussed in section 7.5).

7.5. Method of data collection

There are several ways of conducting social research, such as experiments, surveys, case studies, histories and the analysis of archival information (Yin, 1994).

Mainly, the selection of a research method depends on purpose and nature of the study. The study under investigation is an exploratory as well as descriptive in nature. First, the researcher believes that an exploratory study is better comprehending the nature of the

problem since none of the studies have been conducted on the phenomena under study (Yin, 1994). Second, a descriptive study has to be undertaken to ascertain and to be able to describe the characteristics of variables in the situation (Yin, 1994). According to Sekaran (1992) descriptive studies present data in a meaningful form; thus help to a) understand the characteristics of the group of interest, b) aid in thinking systematically about aspects in a given situation, c) offer ideas for further probing and research, and/or d) help to make certain decisions. Further, the researcher is interested in estimating population parameters using appropriate criteria and testing statistical hypotheses about the population (Moser and Kalton 1972). Therefore, it was decided to use survey method.

According to Bratton and Gold (1999), surveys of organisations provide a vast amount of quantitative data that could permit statistical analyses of HRM practices. This is because of the underline assumption of work organisations, i.e., as mentioned by Mole (2000): "it is both desirable and possible to generalise the principles and practices of effective MD to many, if not most, organisational contexts. Put another way, managerial work is notable more for its commonalties than its differences" (Mole 2000, p 2). Case studies on the other hand, can provide very detailed and comprehensive qualitative information, but all too often researchers have sought to draw general conclusions from individual case studies without giving sufficient thought to the extent to which identical or similar conditions likely to exist in organisations (Collins 1994). Hence, survey seems to be the best method to obtain desired information.

Furthermore, the survey method of collecting original data is the most appropriate when data come directly from people on the descriptions of attitudes, values, habits, and background characteristics (Babbie, 1989). Survey produce information to describe, compare, and predict attitudes, opinion, values, and behaviour based on what people say or see. Hence, respondents' opinions provide important insights into why new ideas or ways of doing things do or do not get used. Therefore, surveys can be used to make policy or plans and evaluate programmes (Fink and Kosecoff, 1985; Fink, 1995b).

By considering all the aspects mentioned above, for the research study, survey method was used. According to Fink and Kosecoff (1985), the most commonly used survey instruments are questionnaires and interviews. As the research study is mainly on the perceptions of managers and HR managers, a questionnaire survey accompanied by interviews is more advantages in achieving the research objectives. According to the writers, when questionnaire survey is administered in a completely unsupervised situation, it is imperative that the questionnaire be completely self-sufficient, or able to "stand alone" (Fink and Kosecoff, 1985; Fink, 1995b). However, in addition to two survey instruments, the researcher also gathered secondary data related to the objectives of the study. Therefore, in the research "methodological triangulation" was used by gathering

information from three sources, namely, survey questionnaires, survey interviews, and secondary data.

Fink and Kosecoff (1985) stated that questionnaires and interviews often look alike and can be used interchangeably as they share many of the same features. According to them "...both questionnaires and interviews rely on directly asking people questions to get information. ...(therefore), need instructions to be clear, must be concerned with sampling, designing, and with the processing, and the interpretation of data. Pilot testing helps get both methods (instruments) in shape and can even help boost the response rate since a faire trial can help keep the questions clear so that people do not get confused and give up" (Fink and Kosecoff 1985). Therefore, in the proceeding sections, design and administration aspects of the three survey instruments, namely, survey questionnaires, survey interviews, and secondary data are presented.

Survey questionnaires

There are two types of self-administered questionnaires, which can be best described as the ends of a continuum. At one end of the continuum are questionnaires that people answer in the presence of the surveyor. At the opposite end of the continuum are questionnaires completed by the respondent outside the presence of the surveyor. The single greatest advantage of the second type of self-administered questionnaires is its lowest unit cost compared to other methods (Bourque and Fielder, 1995). For the research study, self-administered questionnaires of latter type are designed as a low cost and time saving method of obtaining information from HR managers and managers.

Two questionnaires have been constructed to achieve the objectives of the study. One questionnaire addressed the HR managers of the companies to get their experiences in providing development opportunities to managers (please see Appendix 2). The other questionnaire addressed managers who have had experience in undergoing development activities (please see Appendix 3). Those two questionnaires were constructed by the researcher herself, as she was unable to find any surveys conducted in Sri Lanka that has slight resembleness to the study. Every attempt was made to keep the questionnaires as short, specific, straightforward, and purposeful as possible while attempting to gather all relevant information. Further, every attempt was taken to ask questions in a logical order and keep questions independent to avoid bias. To collect necessary information in a manner that puts the least possible burden on expected respondents, the information that could be accessible from other sources, such as interviews and secondary data, was excluded from the self-administered questionnaires. To keep page folding to a minimum, the booklet format was used in the questionnaires. The instructions regarding completing the questionnaires were clearly given.

The both survey questionnaires are in English language. When considering the literacy of the target populations and amenability of the research questions, it is explicit that the subjects of the populations, i.e., HR managers and managers of the companies, are literate enough to understand and response to the questionnaires. And also research questions are amenable enough to use as self-administrated questionnaires.

The majority of questions in the both self-administered questionnaires took the form of closed-ended questions because they have proven themselves to be more efficient and ultimately more reliable. Their reliability is enhanced because of the uniform data they provide since everyone responds in terms of the same options. Thus, such questions provide meaningful analysis of the distributions of association and can be used to test hypotheses. Further, a few open-ended questions were asked to give opportunities for respondents to express what they really think or feel in their own words. In such instances, enough space was given to enable respondents to express their feelings in their own words.

In the both questionnaires the closed-ended questions took the form of rating scales. The rating scales took two forms, i.e., ordinal and categorical. Ordinal rating scales asked respondents to make comparisons in the form of continuums and a numerical value was assigned to each category (for example: 5=always, 4=often, 3=sometimes, 2=almost never, 1=never). However, in few instances, the reverse of the scale was also used (please see question number 20 of the managers' questionnaire and question number 41, 42, and 43 of the human resource personnel's questionnaire). In creating categories, five-point scale was used leaving respondents with a middle ground. Such scales are said to be balanced, where two endpoints of the scale mean the opposite of one another and the intervals between the points on the scale are equal (Fink, 1995c).

Categorical responses were classified as male/female, yes/no, etc. These responses simplified the information required from the respondents. For example, before inquiring about the usage of succession plans in identifying development needs, a dichotomous (yes/no) question was asked to identify whether succession plans exist in the organisations.

The residual "any other" was used in the appropriate instances to increase flexibility in answer categories.

As many respondents find general/demographic questions boring (Bourque and Fielder, 1995) those questions were asked at the end of the questionnaires. Thus it is expected that respondents will not become disinterested in the study and complete the questionnaires.

The questionnaires were ended by inviting respondents to comment on its content and to make any suggestions related to the study.

Survey interviews

Semi-structured interviews were conducted as a complementary to survey questionnaires. Therefore, survey interview guides were developed to corroborate the information that had been gathered from the survey questionnaires and to elaborate the field by exploring a greater variety of experiences offered by HR managers and managers. It is anticipated that the results of the questionnaires may provide access to breadth of experience while the interviews may provide depth, by adding insight and substance to the questionnaire survey.

Interviews can be differentiated according to how structured they are (Frey and Oishi 1995). In a structured interview all the questions are decided in advance. However, there is no rigid dividing line between the structured and unstructured interview: rather they should be seen as two ends of the continuum. The purpose of a structured interview is to gather information by means of administering the same set of questions in a consistent way to all selected respondents to make the results comparable (Frey and Oishi 1995). Unstructured interviews are less likely to be comparable from one respondent to another and from one interview to another, but may elicit more information than a structured set of questions. For the purpose of the research study semi-structured interviews were conducted. The interviews were structured along the outline of topics, with open questions and allowed to flow chronologically for the comfort of the interviewees. The outline of interview topics had permitted the researcher to focus on aspects that are considered particularly relevant to the "commonalty" factor (the two interview guides are given in appendix 4).

It was decided to conduct interviews after the completion of self-administered questionnaires for two reasons. First, the answers to the survey questionnaires may provide the researcher some new insights, which should be further investigated. Second, if the researcher had found out something, which should have been asked but omitted in the questionnaires, then during the interviews those areas can be dealt with (the way interviews are conducted is explained in the section on the administration of interviews).

Secondary data

Secondary sources provide information and statistics from a much larger field to add to the picture and to create a much larger view. When researcher visited the companies to distribute questionnaires and to conduct interviews, she was given permission to view company documents related to the interests of the study. In few instances, the researcher was provided with photocopies of company documents, such as, company strategy,

development needs analysis forms, etc. In the case of documentary evidence, the content was analysed in such a way that it is possible to make comparisons between them.

It has been observed that all companies maintain their company records in English language. The researcher did not come across any company that maintains company records in native language. The researcher feels that this situation may prevail due to the fact that Sri Lankans use English language as the international language for doing business with foreign partners. This situation may also prevail due to the use of English as a language since British colonial period. However, the researcher views this as an advantage as it is not necessary to interpret documents in native language to English language.

It is said that when survey method is used, various problematic situations could arise. Therefore, in the next section such problematic situations and how the researcher had overcome these are presented.

Reliability and validity of the survey instruments

In implementing survey method various problematic situations may arise (Fowler 1984). According to Fowler (1984) "...like all measures in all sciences, social survey measurement is not error free. The procedures used to conduct a survey have a major effect on the likelihood that the resulting data will describe accurately what is intended to describe". Litwin (1995) states that this error comprises two components: random error and measurement error. To lower the chance of random error, larger and more representative sample has to be selected. As proportionately stratified simple random sampling method has been used in the research study, it can be assumed that the sample is representative and thus random error is negligible.

Measurement error refers to how well or poorly a particular instrument performs in a given population (Fowler 1984; Litwin 1995). Reliability is the statistical measure of how reproducible the survey data are (Litwin, 1995). Survey questionnaires are regarded as strong on reliability, as the same questions can be asked from all respondents and the respondents get the standard stimulus (Ivancevich and Matteson, 1990, as in Chan 1995). Spector (1981) states that reliability could be increased by using multiple measurements. In the study, the use of multiple measurements to collect data – two questionnaires and interviews- may increase the reliability. Furthermore, every attempt has been taken to maintain the reliability of the semi-structured interviews by administering almost the same set of questions, which were structured along the outline of topics in a consistent way to all selected respondents.

Measurement error can also be reduced by increasing the validity of the instruments. A valid instrument measures what it is designed to measure (Spector, 1981; Litwin, 1995). The content validity of the questionnaires was measured by giving it to several knowledgeable people in the field of the study. After their reviews, the required changes were made to the questionnaires. Face validity is causal assessment of item appropriateness (Litwin, 1995). The face validity of the questionnaires was assessed by showing them to several individuals, who do not have HRM background. They were asked whether they can understand the items in the questionnaires and interview guides.

Further, in collecting data using both questionnaires and interviews sensitive and complex questions were avoided as they may compromise validity and reliability of survey instruments.

Finally, the questionnaires and the interviews were pilot tested to ensure the reliability and validity of survey instruments

Pilot tests

Pilot test is a tryout. Its purpose is to test the survey instruments to find out whether they are usable and will provide the information needed, accurately. Researchers have shown that all types of questionnaires and interviews must be pilot tested (Fink and Kosecoff, 1985).

Although the production of questionnaires involves preparing and testing several drafts, pilot tests were conducted prior to the actual data collection. Researchers believe that data collection should never begin without an adequate test of the instruments. Thus, pre-tests determine how well survey instruments may serve the purposes of obtaining needed data. To pilot test survey questionnaires and interviews, a random sample of five HR managers and 10 managers (2x5) were selected from five randomly selected companies.

The survey questionnaires were pilot tested to answer following questions:

- Will the survey instruments provide the needed information? Are certain words or questions redundant or misleading?
- Are the questions appropriate for the people who will be surveyed?
- How consistent is the information obtained by the instruments?
- How accurate is the information obtained by the instruments?
- Do respondents understand the directions of completing the questionnaires?
- Are questions easy to understand?
- Are response choices mutually exclusive?
- Are response choices exhaustive?

The results of the pilot tests were used in making pertinent changes in the questionnaires. Consequently, the refined questionnaires are expected to be promising and helpful in meeting the demands of the research objectives.

The survey interviews were pilot tested to answer following questions:

- Do interviewer understands how to ask questions?
- Do interviewer knows how to get in-depth information, when appropriate, by probing respondents' brief answers?
- Do interviewer knows how to record information?
- Do interviewer knows how to keep the interview to the agreed-on time limit?
- Do interviewees agree that privacy has been protected/respected?
- Are there any repetitive questions or at least well elicited a similar or repeated response?

On reflection, interview questions used in the pilot tests produced interesting insights into how interviews should be handled.

The administration of survey instruments is presented in the following section in the light of the survey instruments that has been used.

Administration of the survey instruments

"Administration of a survey includes distributing questionnaires, supervising its use, or conducting an interview. Administering survey questionnaires means distributing them, ensuring that respondents have enough time to complete all questions, and following up with people who do not respond by the due date. To properly administer an interview, it requires the interviewer to ask questions, record answers, keep records, stay within a time limit, and respect the respondent".

(Fink, 1995a, p 89)

Therefore, in the proceeding sections, the administration of survey questions and interviews are presented.

Administration of survey questionnaires

In administering survey questionnaires, as mentioned in section 7.4, a proportionately stratified random sample of 100 companies that indicate their willingness to participate in the survey was contacted. At the beginning of October 2001, the researcher herself visited those companies to distribute the two questionnaires. Visiting each and every company was not a problem as all BOI clothing manufacturing companies are located in 8 free trade zones and 3 industrial parks of the country. Hence, the researcher managed to cover several companies in each visit to each zone/park.

As mentioned in section 7.4, the researcher did not face any problem in selecting human resource managers to distribute the questionnaires, as there was only one HR manager per each company. When HR managers were not available, CEO or Managing Director had been selected. The managers' questionnaires were also distributed to randomly selected managers (5x100) from several sections of the above mentioned randomly selected companies.

In distributing questionnaires, the researcher used personal meetings with HR managers and managers to hand over the questionnaires. Before handing over the questionnaires, the researcher gave a preamble to the research and the background of the researcher, which clearly explained the purpose of the study, how respondents were selected, and gave guidelines in answering the questionnaires. Every respondent is convinced the importance of the study and stressed how important it is for the individual to respond and how important that person is to the research. Every respondent was asked to answer all the questions of the questionnaire; the researcher gave an assurance of privacy and confidentiality of information. Further, respondents were provided with the chance of completing the questionnaires anonymously. The individual respondents were not identified for two reasons. Firstly, as mentioned earlier, the researcher promised anonymity. Second, because the survey instruments intended to cover a large number of respondents of the study population, the researcher wanted to pay equal attention to everyone who had responded. Regarding the extent of researcher interference, as respondents filled the questionnaires in their own time within the natural environment of organisations, the extent of researcher interference can be considered as minimum. Respondents were given sufficient days of time to answer the questionnaires before being collected by the researcher. During the same initial meetings with the HR managers and managers, appointments were made for interviews with the HR managers and managers who showed willingness to participate in interviews (the way interviews were administered is discussed in the next section).

Finally, though anonymously completed questionnaires do not provide control over who had filled and returned the questionnaires, the researcher had overcome this situation. The researcher followed-up the progress as she went in person to distribute the questionnaire forms and to collect the completed questionnaires from each and every company. Initially the researcher received 63 questionnaires from HR managers and 210 from managers. After continuous follow-up, the researcher received further 16 questionnaires from HR managers and 11 from managers through mail. Of those questionnaires, one HR managers' questionnaire and 2 managers' questionnaires were incomplete and non-usable. Within the usable, completed questionnaires there were few questionnaires, which were incomplete to a negligible lesser degree with few missing answers. The initial analyses of responses from the two different types of respondents

were found to be consistent. Hence, the researcher felt that what Glaser and Strauss (1967, as in Walters 1996) call "saturation" had been reached, in the sense that no new data would be found that could add to the understanding of the variables of interest. Therefore, the total responses that can be used in the study amounted to 78 questionnaires from HR managers and 219 questionnaires from managers. Table 7.3 provides further information on the classification of respondents in terms of ownership.

Table 7.3: Classification of respondents in terms of ownership

Ownership of the company	Survey questionnaire		Interview		
	HR managers	Managers	HR managers/CEOs* (total 18)		Managers
			HR managers	CEOs*	
Local	32	104	4	3	10
Foreign	26	65	6	--	8
Collaborated	20	50	5	--	7
Total	78	219	15	3	25

* When HR managers were not available, CEO had been selected.

Source: survey data 2001

Administration of survey interviews

Semi-structured face-to-face interviews were conducted as a complementary to survey questionnaires to corroborate the information that have been gathered from the questionnaires. And also to elaborate the field by exploring greater variety of experiences offered by HR managers and managers, who filled-in the questionnaires. The interviews were conducted in the light of the experience gained from the pilot tests.

During the initial meetings, 25 managers and 15 HR managers and 3 CEOs from the stratified randomly selected sample willingly agreed to participate in interviews (classification of respondents in terms of ownership is provided in table 7.3). As all the interviewees had completed the survey questionnaires, they were well aware of the interests of the study. Further, as mentioned earlier, every respondent was assured privacy and the confidentiality of the information they provide; respondents were told that the interviews are conducted anonymously. The language of the interviews was decided by the interviewees, themselves. Few interviewees preferred the native language. In recording interviews, also, researcher gave respondents a chance to decide which interview mode to be used, namely, recording on audiocassettes or using the "paper and pencil" method. Most of the interviews were recorded. However, as few obliged to the idea of recording, those were hand-written by the researcher, herself. In the instances of writing down responses, researcher wrote down the exact words used by the respondents.

The interviews were held in respondents natural work environment of the organisation, but in a relaxed and friendly atmosphere with several asking to see the outcomes of the research. Every attempt was taken to collect necessary information in a manner that puts the least possible burden on interviewees. The researcher took attempts to make atmosphere relaxed, friendly and informal. However, the researcher's perception is that it took few minutes for trust to be established during the interviews, where eventually participants felt comfortable and uninhibited. The interviewees seemed trusting and open.

At the beginning of the interviews, the researcher thanked the interviewees for their participation. Though all the participants had completed the questionnaires and had an idea of what the purpose of the interviews are, the researcher made a brief introductory statement explaining the background of the study, why the interviews are being conducted, and importance of the interviewees and of their answers. The researcher wanted to enable the respondents to be feel as free in giving their responses as possible, and by the same time encouraged them to respond and comment using examples and experience gained from their work organisations. However, at the same time she wanted them to cover certain major areas (please see appendix 4 for interview guides). Therefore, the interviews, though informal and conversational in tone, were structured along the outline of topics to aid consistency of the areas covered. The structured questions were not rigid or fixed, but were used as prompts so that all the respondents can comment on the basic areas. Interview questions were asked chronologically for the comfort of the interviewees while active listening from the researcher. The researcher took every attempt to minimise the extent of researcher interference during interviews, therefore confirmed her place as a participant observer. The researcher always tried not to interject her opinion into the interview conversation, and not to show approval or disapproval with the tone of voice or facial expression. Researcher used simple gestures, such as nodding or saying "uh-huh", and neutral questions like "could you please tell me more about that?" to motivate respondents to say more in certain situations.

The researcher found interviewing the respondents to be a rewarding experience. As the researcher anticipated, interviewees' responses reflected their different roles, expertise and experience, in variety of organisational settings. Interview responses helped the researcher to clarify her own ideas, helped in narrowing the field and helped in deciding upon which areas to concentrate. As anticipated, the information from the interviews paralleled the results of the questionnaire survey. However, results of the questionnaires provided access to a breadth of experience while the interviews provided depth, by adding insight and substance to the earlier questionnaire survey.

7.6. Data analysing techniques

Data analysis was done in two stages. First, the information provided on the completed questionnaires and interview records were transferred into a suitable format. Second, results were interpreted and presented appropriately in order to describe, discuss and draw conclusions.

When transferring questionnaire data into appropriate forms, all ordinal questions were transferred into numeric format, by allocating pre-decided weights, using SPSS software, version 10. Then frequencies, percentages, mean values and standard deviations were calculated. Mean was used to measure the central tendency. Standard deviation was used as an indication for the deviation from the mean value. Further, the standard deviation together with the mean value gave a much clearer description of the data. In the case of categorical questions, frequencies and percentages were calculated.

In testing hypothesis, analysis of variance (ANOVA) or chi-square test was used appropriately. At each case, hypotheses were tested at the 95 per cent confidence level. When data is expressed at the ordinal-parametric level of measurement, ANOVA was used to test hypotheses. In the research design no participant took part in more than one level of the treatment factor. For example, the companies that stated "local" in terms of ownership are independent of other two ownership categories, therefore, between-subjects ANOVA design was used (Bryman and Cramer 2001; Brace, et al 2000; Salkind 2000; Runyon et al 2000; Kinner and Gray 2001; University of Salford, Online). When the data is expressed at the nominal level of measurement, chi square test was used to test hypothesis. The chi square statistic, which is formally called p-value, was used to support or not to support hypothesis. (University of Salford, Online; Trickett 2000; Brace et al, 2000; Bryman and Cramer, 2001; Puri, 1996; Kinner and Gray 2001; Babbie and Haley, 1995).

In the case of interview data, all interview records were transcribed. After the notes were read and re-read, they showed possibilities to group into several categories. Hence, first, using the interview guides, interview data was grouped in to broad categories, such as identification of development needs, top management support, etc. Second, sub-categories were created within each category. For example, when managers were asked to reveal their reactions to formal development opportunities they have received, statements they made fall into several sub-groupings: the nature of the programmes, the link to career development, transfer of skills, so on. The researcher tried to keep those categories and sub-categories as precise as possible.

7.7. Summary

In this chapter presented the framework and designing aspects of the study.

The framework of the study is based on the differences in MD practices across companies of different ownership – foreign, local and collaborated. By reviewing the literature on different management systems in chapter 4, and by considering the different ownership types of companies operating in the Sri Lankan clothing manufacturing industry, the researcher decided to take ownership of the companies as the base for the framework.

An export-oriented clothing manufacturing company was selected as the unit of the population; the export-oriented clothing manufacturing companies registered under BOI was selected as the study population. The list of clothing companies was obtained from Research and Documentation Unit of the BOI.

As main division among BOI companies is the ownership of the company, the samples were stratified based on the ownership of the companies. As researcher is interested in obtaining a sample that will have specified characteristics in exact proportion to the way in which those same characteristics distributed in the population, proportionately stratified random sampling plan was used. Further, the researcher used simple random sampling method for drawing the desired number of elements from each subcategory.

In the study two different perspectives on management development were probed using two sets of samples- human resource managers and managers of the clothing manufacturing companies. In collecting data, "methodological triangulation" was used by gathering information from three sources, namely, survey questionnaires, survey interviews, and secondary data. Pilot tests were conducted prior to the actual data collection, as data collection should never begin without an adequate test of the instruments. After initial contacts, the researcher herself visited randomly selected companies to distribute questionnaires and to conduct interviews. In the study, 78 questionnaires from HR managers and 219 questionnaires from managers were used along with interviews of 25 managers and 15 HR managers and 3 CEOs/Managing Directors from the proportionately stratified randomly selected samples.

Data was analysed using appropriate methods, such as frequencies, percentages, mean values and standard deviations. In testing hypotheses, analysis of variance or chi-square test was used, appropriately. In the case of interview data, all interview records were transcribed, grouped into broad categories and sub-categories were created within each category.

Chapter 8

Characteristics of the Samples

8.1. Introduction

This chapter is devoted to the analyses of the characteristics of the samples. It uses the information collected from the two questionnaires, i.e., questionnaire for human resource managers and questionnaire for managers. First, in section 8.2, the characteristics of the respondent clothing manufacturing companies are presented based on the information provided by HR managers. Second, in section 8.3, the characteristics of the managers are presented based on the information provided by managers of the companies (please see appendix 2 and 3 for questionnaires for HR managers and managers, respectively).

8.2. Characteristics of the sample: clothing manufacturing companies

Characteristics of the clothing manufacturing companies represented in the sample were analysed using the information provided by the HR managers. These characteristics are presented in the following sections in terms of ownership of the companies, the number of managers employed in the companies, the number of employees in the companies, and the existence of HRD units.

Clothing manufacturing companies by ownership

The table 8.1 shows the classification of clothing manufacturing companies by ownership. As can be seen from the table, the sample of the clothing manufacturing companies represents all the three categories of companies. But when percentage values are considered, locally owned companies dominate with 41 per cent.

Table 8.1: Clothing manufacturing companies by ownership type

Ownership	Frequency	Percentage
Local	32	41.0
Foreign	26	33.3
Collaborated	20	25.6
Total	78	100.0

Source: Survey data 2001

Clothing manufacturing companies by the number of managers employed

The table 8.2 shows the classification of clothing manufacturing companies by the number of managers employed. According to the table, 59 per cent of the companies have employed more than 10 managers.

Table 8.2: Clothing manufacturing companies by the number of managers employed

Number of managers employed	Frequency	Percentage
5 or less	16	20.5
6 to 10	16	20.5
11 or more	46	59.0
Total	78	100.0

Source: Survey data 2001

Clothing manufacturing companies by the total number of employees

The table 8.3 shows the classification of clothing manufacturing companies by the total number of employees. As can be seen from the table, the majority of the clothing manufacturing companies have employed 101 to 500 employees (46.2 %) while 18 per cent of the companies have employed more than 1000 employees.

Table 8.3: Clothing manufacturing companies by the total number of employees

Number of employees	Frequency	Percentage
100 or less	2	2.6
101 to 500	36	46.2
501 to 1000	26	33.3
1001 or more	14	17.9
Total	78	100.0

Source: Survey data 2001

Clothing manufacturing companies by the existence of HRD units

The table 8.4 shows the classification of clothing manufacturing companies by the existence of HRD units. As can be seen from the table, responses for the existence and non-existence of a HRD unit have resulted in almost equal number of responses.

Table 8.4: Clothing manufacturing companies by the existence of HRD units

HRD unit	Frequency	Percentage
Yes	40	51.3
No	38	48.7
Total	78	100.0

Source: Survey data 2001

8.3. Characteristics of the sample: managers of the clothing manufacturing companies

Characteristics of the managers of the clothing manufacturing companies represented in the sample were analysed using the information provided by managers. These characteristics are presented in the following sections in terms of several dimensions such as gender, age, academic qualifications, etc.

Managers of the clothing manufacturing companies by gender

Table 8.5 presents the classification of managers of the clothing manufacturing companies by gender. According to the table, 78 per cent of the sample comprised of males. As mentioned in CITI study, in section 6.4 of chapter 6, this random sample is also male dominant. This may be because of the exact nature of the clothing manufacturing industry in Sri Lanka, i.e., managerial positions are male dominant (CITI 1999).

Table 8.5: Managers by gender

Gender	Frequency	Percentage
Male	171	78.1
Female	48	21.9
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by age

The table 8.6 shows the classification of managers by age. According to the table, the majority of managers are below 41 years of age (89%) and only a magnitude of the sample (2.7%) belongs to the category of above 50 years of age. This characteristic of the sample also matches with the CITI study (CITI 1999). Thus, the majority of managers in the Sri Lankan clothing manufacturing industry are young.

Table 8.6: Managers by age

Age (in years)	Frequency	Percentage
30 or below	117	53.4
31 to 40 years	78	35.6
41 to 50 years	18	8.2
More than 50	6	2.7
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by academic background

The table 8.7 shows the academic background of managers. As can be seen from the table, the majority of managers have degrees or equivalent academic qualifications (43%). This may be due to the recent trend in absorbing more graduates to managerial positions in the clothing industry.

Table 8.7: Classification of managers by the highest academic qualification

Academic qualification	Frequency	Percentage
GCE O/L	3	1.4
GCE A/L	68	31.1
Diploma	54	24.7
Degree or equivalent	87	39.7
Post graduate degree	7	3.2
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by professional qualification

The table 8.8 shows the classification of managers by professional qualification. As can be seen from the table, 75 per cent of the sample comprised of managers with professional qualifications.

Table 8.8: Managers by professional qualification

Professional qualification	Frequency	Percentage
Yes	165	75.3
No	54	24.7
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by the years of service as a manager

The table 8.9 shows years of service managers have had with the clothing manufacturing company in which they have been employed as a manager at the time of the survey. As can be seen from the table, more than 75 per cent of the managers in the sample have less than 6 years of service with the present employing company.

Table 8.9: Managers by the years of service

Years of service	Frequency	Percentage
5 years or less	168	76.7
5 to 10 years	43	19.6
More than 10 years	8	3.7
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by the level of management

The table 8.10 shows the classification of managers by the level of management. As can be seen from the table, the majority of the managers are from the middle management level (44.7 %).

Table 8.10: Managers by the level of management

Level of management	Frequency	Percentage
Lower management	64	29.2
Middle management	98	44.7
Senior management	46	21.0
Management advisor/ staff specialist	11	5.0
Total	219	100.0

Source: Survey data 2001

Managers of the clothing manufacturing companies by the function in which they are engaged in most of the time

The table 8.11 shows the classification of managers by the function in which they are engaged in most of the time.

Table 8.11: Managers by the function in which they are engaged in most of the time

Function	Frequency	Percentage
General/strategic management	35	16.0
Production	82	37.4
Sales/marketing/merchandising	38	17.4
Finance/accounting	24	11.0
Research & development/design	6	2.7
HR/labour relations	14	6.4
Information technology	12	5.5
Purchasing	4	1.8
Maintenance	1	0.5
Business planning/analysis	1	0.5
Stores	2	0.9
Total	219	100.0

Source: survey data, 2001

As can be seen from the table, the majority of managers in the sample have been employed in the production function (37.4%). The reason for this may be that Sri Lankan clothing manufacturing industry is mainly a manufacturing apparel supplier; therefore, the widely spread division within a company is the production division. The second and third largest groups of respondents are from sales/marketing/merchandising (17.4 %) and general/strategic management (16.0 %), respectively.

Managers of the clothing manufacturing companies by the ownership of the company they are employed in

The table 8.12 shows the classification of managers by the ownership of the company they are employed in. As can be seen from the table, the majority of managers in the sample are employed in locally owned companies (47.5%). As the majority of the companies in the sample are locally owned, this result is not an unexpected.

Table 8.12: Managers by the ownership of the company they are employed in

Ownership	Frequency	Percentage
Local	104	47.5
Foreign	65	29.7
Collaborated	50	22.8
Total	219	100.0

Source: Survey data 2001

Managers' responses to the existence of HRD units in the companies in which they are employed in

The table 8.13 shows the classification of managers by the existence of HRD units in the companies in which they are employed in. As can be seen from the table, almost equal percentage of managers from the companies that have HRD units and that do not have HRD units are randomly selected into the sample.

Table 8.13: Managers by the existence of HRD units in the companies in which they are employed in

HRD unit	Frequency	Percentage
Yes	112	51.1
No	107	48.9
Total	219	100

Source: Survey data 2001

8.4. Summary and conclusion

With regard to the characteristics of clothing manufacturing companies, 41 per cent of the companies in the sample are 100% local owned. That means 59 per cent of the companies in the randomly selected sample is comprised of both 100% foreign and collaborated/joint venture companies. Therefore, as stated in the framework of the study there is a high possibility that this study will be able to address the research questions that have been raised and to test the hypothesis that have been hypothesised in the study.

When considering the number of managers employed in the companies, 59 per cent of the companies have employed more than 10 managers. This implies that the majority of

the clothing manufacturing companies have to have some sort of development activities to address development needs of managers. With regard to the total numbers of employees employed in the companies, 82 percent of the companies have employed less than 1001 employees. However, as it is revealed in literature that the majority of employees belong to the production function of the company, especially sewing machinists, it can be assumed that there is no need to have a balance between the number of managers and the total number of employees in a company.

With regard to the existence of HRD units, 51 per cent of the companies have separate HRD units. This imply that at least half of the companies in the sample understand the value of human resource and make continuous efforts to address development needs of employees, including managerial staff.

With regard to the characteristics of managers employed in clothing manufacturing companies, 78 per cent of the managers are male. As mentioned in literature, though gender distribution of the industry is female biased, the majority of these females work in operative categories. As revealed in literature, only a small percentage of females employed in managerial categories of the clothing manufacturing industry. Therefore, this high percentage of males in the sample is a common occurrence.

With regard to the age distribution of managers, 89 per cent of the managers are below 41 years of age. As revealed in literature, the majority of people employed in the managerial categories are young. Therefore, this high percentage of young managers in the sample is a common occurrence.

With regard to the educational attainment of managers, 43 per cent of the managers have degrees or equivalent academic qualifications; 24 per cent of the managers have Diplomas. Therefore, it seems that the majority of managers in the sample have some sort of higher education. With regard to professional qualifications, 75 per cent of the sample is professionally qualified. These figures relating to academic and professional background of the managers' reveal that the majority of managers have high attainment of qualifications.

With regard to the years of service of managers, 75 per cent of the managers are with their current employer as a manager for less than five years. As mentioned in literature this may imply the level of turnover in managerial categories. With regard to the level of management they are employed in, 44.7 per cent of the managers came from the middle management level. However, the number of managers from the each category of lower and middle management levels consisted of more than 20 per cent of the sample.

With regard to the ownership of the companies in which managers are employed in, 47.5 per cent of the managers are employed in local companies. As the majority of the companies in the sample are locally owned (41%), it is obvious to have more managers from local companies. With regard to the existence of HRD units in the companies in which managers are employed in, 51.1 per cent of the managers came from companies that have separate HRD units. This seems that a balanced sample of managers are randomly selected from both types of companies, i.e., with HRD units and without HRD units.

By considering all the characteristics of the samples, it is evident that both samples have no difficulty in representing their populations.

Chapter 9

Analysis and Discussion of Data: Management Development in the Sri Lankan Clothing Manufacturing Industry

9.1 Introduction

This chapter is devoted to the analyses of data relating to MD in the Sri Lankan clothing manufacturing industry. Specifically, it is concerned with determining the variation in MD practices across companies of different ownership. The key research questions that help to determine the variation have been presented in chapter 7. These research questions and their related hypotheses are reproduced as follows.

1. To what extent do companies differ in identification of development needs of managers?

Hypothesis 1: There will be significant differences across ownership types regarding the frequency of identification of MD needs. It is expected that 100% foreign owned companies will be more likely to be involved in the identification of development needs than the other two types of ownership.

2. To what extent do companies differ in setting MD objectives?

Hypothesis 2: There will be significant differences across ownership types regarding the frequency of setting MD objectives. It is expected that 100% foreign owned companies will be more likely to be involved in setting MD objectives than the other two types of ownership.

3. To what extent do companies differ in designing and planning development activities for managers?

Hypothesis 3: There will be significant differences across ownership types regarding the frequency of designing and planning development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning development activities for managers than the other two types of ownership.

Hypothesis 4: There will be significant differences across ownership types regarding the frequency of designing and planning different formal development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning different formal development activities for managers than the other two types of ownership.

4. To what extent do companies differ in administration of MD activities?

Hypothesis 5: There will be significant differences across ownership types regarding the frequency of administration of MD activities. It is expected that 100% foreign owned companies will be more likely to be involved in administering MD activities than the other two types of ownership.

5. To what extent do companies differ in validation and/or evaluation of MD activities?

Hypothesis 6: There will be significant differences across ownership types regarding the frequency of validation and/or evaluation of MD activities. It is expected that 100% foreign owned companies will be more likely to be involved in the validation and/or evaluation of MD activities than the other two types of ownership.

In the discussion, the data collected from HR managers and managers of the clothing manufacturing companies through questionnaires and interviews are used along with secondary data (please see appendix 2 and 3 for questionnaires for HR managers and managers, respectively; please see appendix 4 for interview guides; please see appendix 6 for related exhibits of secondary data).

In achieving the previous mentioned objectives, this research be the first attempt to study MD in Sri Lanka. Therefore, the researcher can not compare the results of this research with results of any other similar research done in Sri Lanka. However, the findings and discussions are presented in the light of a number of studies that concern with HRD in Sri Lanka, which have some relevance to this study in some aspects. Further, findings are discussed in the light of literature that has been reviewed in chapters 2, 3, and 4.

Therefore, sections from 9.2 to 9.6 are devoted to analyse the data related to above stated research questions and their related hypotheses. Further, at the end of the each section the summary of findings is provided. Finally, in section 9.7, an attempt is made to investigate whether Sri Lankan clothing manufacturing companies actually consider MD as a process. This is based on the assumption made in chapter 2 that in the study systematic approach to MD was used as a blueprint or as a best practice to help to structure the research.

9. 2. Identification of management development needs

Development needs identification is a process of information gathering to diagnose changing requirements of the organisation and people in it, to cater to both present and future organisational needs by turning them into development requirements. This involves an assessment of the gap between desired levels of knowledge, skills and competencies and actual pattern of current levels; this is the gap that has to be filled by MD (Storey and Sission, 1993; Robinson, 1990; Armstrong, 1991; Boydell, 1971; Arnold et al, 1991). One of the objectives of the study highlighted earlier is to investigate whether MD needs are identified in the Sri Lankan clothing manufacturing industry.

This was explored by asking HR managers to respond to a question on a Likert type five-point scale. Their responses to the question are shown in table 9.1.

Table 9.1: Identification of development needs of managers

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
How often do you identify needs	C	10	36	23	6	3	78	3.56	0.95
	%	12.8	46.2	29.5	7.7	3.8	100		

C= Count, %= Percentage,

Source: Survey data, 2001

The data suggest that 59 per cent of the companies frequently identify MD needs. However, about 4 per cent of the companies say that they do not identify development needs frequently. The weighted mean of the responses is 3.56. As five-point scale is used, the obtained mean is higher than the average value of the scale, i.e., 3. Hence, the results indicate that the majority of companies believe that MD needs should be frequently identified; the number of companies that involve in the process is more than the companies that do not involve in the process.

In the following section, data obtained by means of interviews and secondary data relating to MD needs identification are presented.

Interview data and secondary data

During the interviews with HR managers and managers of the clothing manufacturing industry, the researcher discovered following in relation to the development needs identification (description of the sample of managers participated in interviews are presented in chapter 7, section 7.5.).

Almost all companies have emphasised identifying development needs in relation to technical aspects of jobs. In such instances, these companies have given more weight in developing lower level and middle level managers in technical areas of clothing manufacturing. Some of such popular technical fields are work study, maintenance, quality assurance, and international standards on quality management (ISO 9000 series and ISO 14000).

Other than technical skills, business communication skills of managers has been identified by all HR managers as the next most vital need.

It is significant that one collaborated company classify development needs of managers into three categories, namely technical skills, management skills and future skills needs. And the company identifies those development needs in relation to all managers, irrespective of their level (lower/middle/senior) in the company.

In addition to technical skills, most of the clothing manufacturing companies has emphasised the need of identifying behavioural skills needs of managers, irrespective of their type of ownership. Most of such companies have mentioned the need of developing leaders, especially, at the middle level. It is revealed that these companies regard leadership and team working skills development as highly important. When it comes to supervisory (lower level managers) skill development, other than technical skills and communication skills, leadership skills and motivation skills are also regarded as highly important. This is because the majority of supervisors come from operative level workers; companies find their behavioural abilities are lacking opposed to knowledge and skills they possess to become supervisors.

It is, further, revealed that this trend of providing development activities on behavioural aspects is new to the Sri Lankan clothing manufacturing industry and it has become popular due to the changing scenario of the industry. According to one HR manager,

"With the scenario changing, they (managers) can't get work done, anymore, from people (workers) by shouting or by pressing them. Now, situation is if a manager shout at a worker, from the next day she (he) won't come to work. There are lots of job opportunities within the industry. So, we find it difficult to keep people. Now, the biggest problem is changing attitudes of managers. We have to teach them the basic principles of management. They don't know how to look at the mentality of people. Motivation and communication skills are, especially, needed for supervisory category (lower level)".

Many companies the researcher visited allowed her to view company records on the identification of development needs. Those records clearly showed how these companies have made efforts to identify development needs; in a few cases, irrespective of the ownership type of the company, almost equal effort is made in this process. Exhibit 9.1 is a reproduction of procedures for development needs identification in one local company.

Exhibit 9.1: Procedure for development needs identification

Objective and scope: To prepare a quarterly development plan on the identification of development needs of employees.

Responsibility: Overall responsibility lies with the HR manager.

Procedure:

- a) Employee development needs are assessed through performance assessment by their supervisory officers and departmental heads using the form, F. 18.1.1.
- b) Ad hoc needs can be identified by the heads of departments as by circulars, advertisements, leaflets of development programmes, and by the HR manager using the form F. 18.1.3.
- c) Assistant HR manager prepares a development plan in consultation with HR manager and forward to Managing Director for approval.
- d) Managing Director along with the HR manager review the development needs and approve the development plan, considering the policy of the company and resources.
- e) Human resource manager reviews and obtains approval from Managing Director.

Source: Internal document from a local company.

Such organisational documents reveal that companies make considerable effort to identify needs in a specific systematic way. However, none of the companies have specified the importance of identifying MD needs in their documents.

Overall, data obtained using both questionnaires and interviews give evidence of the existence of development needs identification in the clothing manufacturing industry. This evidence supports observations made by other Sri Lankan researchers that there is evidence for the existence of development needs identification in Sri Lankan organisations (Silveira 2000; Weerakkody 2000, Sivanesan 2000; Wijetunge 1992; Uduwela 2000; Fonseka 1998).

Hypothesis test 1

To determine variation in the identification of MD needs across ownership types the study hypothesised:

Hypothesis 1: There will be significant differences across ownership types regarding the frequency of identification of MD needs. It is expected that 100% foreign owned companies will be more likely to be involved in the identification of development needs than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.2

Table 9.2: ANOVA of the identification of MD needs

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Development needs identification	3.31	3.54	4.00	3.46	0.037

The results of ANOVA reveal that there are significant differences across companies in terms of ownership in the frequency of the identification of development needs of managers. Therefore, the Least Significant Differences (LSD) table is drawn to compare each group with every other group and computed the significant of difference (please see appendix 5, table 1). There are no significant differences between foreign companies compared to local companies (sig.=0.335) and collaborated companies (sig.=0.095). However, when collaborated companies are compared with local companies, the data show that differences between collaborated companies are significant compared to local companies (sig.=0.011). The mean values given in table 9.2 also shows that collaborated companies are more likely to be involved in the identification of development needs, frequently, than local companies. Therefore, hypothesis is partially accepted.

In the following sections data relating to assistance given by the organisational strategy, succession planning and performance appraisal in identifying MD needs are discussed,

respectively. Therefore, first, in the following section assistance given by the organisational strategy is presented.

The assistance given by the organisational strategy in identifying development needs of managers

Management development needs, at the organisational level, are influenced by factors both internal and external to the organisation. Management development has to be aligned with a company's business directions: short and long-term strategy of the organisation; trends that are likely to affect organisational objectives (Olian et al 1998; Goldstein 1974; Schuler 1987). There are two ways in which corporate policies and strategies give rise to MD needs. One is the identification of compulsory MD needs. The other is the identification of short-term as well as long-term MD needs due to changes in the environment of the organisation (Wills 1998b).

As it is found that companies identify the development needs of managers, a set of questions on a Likert type five-point scale was asked from HR managers to investigate whether companies identify development needs, which are connected to strategy. The answers to the set of questions are shown in table 2, in appendix 5. Data suggests that the introduction of new development activities to address specific company issues is the most popular (53.3%) while the existence of the identification of development needs before being given promotions is the second most popular (31.2%). However, most of the companies do not identify development needs before being given salary increments (48.1%). The identification of compulsory development needs just after recruitment to a managerial position (29.5%) and after a certain period of service at the managerial level (22.4%) are also practised in the clothing manufacturing industry to a certain extent.

In the next section interview data collected in relation to the identification of development needs connected to the strategy are presented.

Interview data

During the interviews the researcher discovered interesting aspects in relation to the identification of development needs connected to the strategy. Those aspects can be categorised into three, i.e., the introduction of new development activities to address specific company issues, the provision of compulsory development activities and the provision of development activities before being given promotions.

With regard to "provision of new development activities to address specific company issues", it is revealed that companies provide these activities at three levels, i.e., at the reactive level, to update existing systems in order to survive, and to address possible

future needs. These three levels of the identification of needs connected to the strategy are presented in the following paragraphs.

The majority of companies provide development activities at the reactive level, i.e., after a problem/deficiency has been identified. According to one HR manager:

"When our company performance is not good (for example, in terms of productivity, target achievement, quality problems) we feel we need some sort of development. Our senior managers, those who are in charge of sections, first locate such needs"

Companies introduce development opportunities for manager in order to up-grade existing systems of work. For example, quality assurance procedures, information technology, import and export procedures, manufacturing technology, etc. In these instances, companies initiate company-wide development programmes aiming to develop several managers/particular groups of managers in a particular set of skills, at a time. Introduction of development activities to fulfil such needs is now common procedure in many countries (Smith and Hayton 1999; Avery et al 1999; Glover and Siu 2000). However, Smith and Hayton (1999) felt that scope of these programmes is limited to meeting development requirements of enterprises, only, at the most general level.

In the case of new technology, companies have been involved in introducing new forms of product and process technology, especially in the manufacturing function. When new products/garments are introduced, all lower level managers are provided with required development programmes to manufacture those orders (from spreading to packing). Thus, these development requirements are relatively routine and provided by means of on-the-job development programmes. New processes, however, involve fundamental changes to the way in which work is carried out. For example, the introduction of new accounting packages. Therefore, new processes give rise to more extensive development programmes within a company. Thus, such development programmes are provided to managers by means of external development programmes.

However, it is interesting to note that greater emphasis has been placed on improving behavioural skills of managers in up-grading existing systems of work. In some companies equal importance is given to technical skills and behavioural skills in introducing new programmes to up grade existing systems of work. Smith and Hayton (1999) identified two factors, namely, innovation in work organisations in terms of the introduction of teamwork with associated changes in job design, and workplace change in the form of the implementation of quality assurance strategies, which lead to the introduction of new development opportunities in behavioural skills. However, in the Sri Lankan clothing manufacturing industry, especially at the managerial level, there is less emphasis on teamwork. However, fulfilling requirements to obtain and maintain

international quality standards have emerged as the main driver in introducing new development activities in quality areas for all members of the workforce. The Sri Lankan situation in the clothing manufacturing industry in terms of the introduction of new programmes for quality improvement might be in a better position than in China because Glover and Siu (2000) identified that the development area does not provide underpinning for an effective quality management system in the Chinese manufacturing industry.

Finally, a few companies have taken steps to introduce new development activities to address future needs of the companies. According to one HR manager employed in a collaborated company:

"Sometimes we introduce new development items to address future needs of the company. Those are specially for lower level and middle level managers. The future needs really depend on the decisions of the chief executive officers. They look at them from the point of view how the industry will be moving during the next five years, company's business interests and how company expected to move during the next coming years. Then we add extra development programmes to fulfil these future needs".

As effective MD has to be aligned with company's business directions and values, corporate policies and strategies should take the role of "umbrella" under which individual and organisational development needs are identified and form the boundaries within which development activities should take place (Wills 1998b). Therefore, it seems that HR managers in such companies have a clear idea of where business is going and help to ensure the alignment of MD activities with business directions.

With regard to "provision of compulsory development activities just after recruited to a managerial position", companies highly emphasise those for newly recruited managers in the production function than any other function within the company. According to both HR managers and managers interviewed, managers in the production function are provided with induction development programmes by means of job rotation to give an overall knowledge of all sections of the production function. These development programmes are also referred to as in-plant development or overall development. However, the duration of induction development programmes may vary in a range of six months to one year, from one company to another. After the completion of initial development programmes, managers are provided with specific development programmes required for the posts in which they will be confirmed. According to one HR manager from a foreign company:

"After recruited, we keep that person on probation for 9 months and we give compulsory development programmes. Job rotation is a must as initial development. After 9 months, the person is confirmed in a managerial post and is given relevant specific programmes to that confirmed position. If required, we give further development opportunities and it depends on the performance".

Managers from that clothing manufacturing company also confirmed the above HR manager's views. According to one manager:

"I joined this company, in July, as a management trainee. Since then, I am in an overall development programme. Company assigned me to work two weeks in the stores section, two weeks in the cutting section, another two weeks in the sorting-room, and then two weeks in the maintenance section. Since the beginning of this week, I am in the production section". (Interview is conducted in October 2001)

However, companies do not provide induction development programmes by means of job rotation to newly recruited managers who are not directly involved in the production function. Those managers are provided with specific development programmes related to the section in which they will be confirmed. Hence, some managers find this as a drawback. According to one manager employed in the merchandising department:

"I attended programmes on things only relevant to my job, but haven't received an overall programme. But we know the people in the production section are provided with such programmes and it is very helpful to understand the system of doing work in the company- especially, when we come from a background other than garment manufacturing".

It is further observed that some companies do not provide compulsory development opportunities just after recruited to a managerial position. The researcher has identified two reasons for this reluctance. First reason is that companies recruit only qualified personnel for jobs as they could not afford to provide development opportunities due to reasons, such as lack of personnel to substitute managers those who will be released for development programmes and lack of time. Thus, companies expect managers to be equipped with required knowledge by the time of the recruitment. These companies advertise vacancies through newspapers and select the candidates on a competitive basis, paying salaries at a sufficiently high level to recruit and retain personnel of the required standard. Where further development is required, it is most often left to the initiative of the individual employee, who may be encouraged by prospects of a promotion or salary increment to undertake external programmes relating to the field of employment at his/her own expense (time and/or money). An observation similar to this is also experienced by Clarke and Metalina (2000). This aspect is further probed in chapter 10, in the section on the top management support for MD.

The second reason is that it is costly to provide development opportunities just after the recruitment as there is a tendency that managers leave the company in search of better jobs during the probationary period. However, the researcher does not agree with this reason and feel that it is an excuse for not providing development opportunities. There is no bond between company and managers even after a person is confirmed in a managerial position. Hence, they can leave the company at anytime even though companies provide development opportunities after persons are confirmed in managerial

positions. Clarke and Metalina (2000) also observed the use of probation period as a substitute for development by many private sector enterprises in Russia. But in the Russian case, private sector employers try to hire young people with relatively high levels of education and employ them on probationary terms, retaining those who have mastered the job within the probationary period. However, Sri Lankan clothing manufacturing companies tend to retain all employees after the probationary period whether or not they achieve the required performance because rules concerning firing employees is strict in Sri Lanka (BOI b).

With regard to "provision of development activities before being given promotions", a few companies revealed that it is a company policy to be given development opportunities to all managers before being given promotions. More details of this aspect are covered later in this chapter. This situation contrasts with the situation in the Japanese manufacturing, where compulsory MD is a pre-requisite and condition to be promoted to the next position (Ishizaka 1996). However, many companies revealed that if a person is identified as a suitable candidate for a promotion, it is compulsory to give him/her relevant development activities to prepare that person for the higher post (this aspect is further probed later in this chapter). However, the applicability of those prescribed courses have to be taken into account cautiously as managers could be provided with those activities year after year not because of the value of development but because the completion is a prerequisite in getting better positions.

Overall, it is revealed that introduction of new development activities to address specific company issues is the most popular. Companies introduce those at three levels - at the reactive level, to update existing systems in order to survive, and to address possible future skills needs. The provision of compulsory development activities just after recruitment to a managerial position is mainly confined to the production function.

In the next section, assistance given by succession planning in the identification of development needs is presented.

Identification of management development needs connected to succession planning

Succession plans are designed to safe guard the long-term health of organisations. The aim of management succession planning is to ensure that, as far as possible, suitable managers are available to fill vacancies created by promotion, retirement, death, leaving, or transfer. It also aims to ensure that a cadre of managers is available to fill the new appointments that may be established in the future (Armstrong 1996; Sumner, 1993). Each job has an associated set of duties, skills, knowledge, and abilities, hence, if potentials could be identified in advance as being appropriate incumbents for jobs,

development programmes could be designed to develop them to meet the future job needs (Bratton and Gold 1999; Mumford et al 1987). Therefore, to investigate the situation of succession planning in the Sri Lankan clothing manufacturing industry, respondent HR managers were asked to present their views on two aspects of succession planning. First, in order to identify the number of companies that maintain succession plans for managers, a dichotomous question was asked. Second, in order to investigate the extent to which succession plans are used in identifying development needs of potential management successors, a question on a Likert type five-point scale was asked.

Answers to the question on the existence of succession plans are shown in table 3, in appendix 5. The data reveal that exactly half of the sample (39 companies=50%) maintains succession plans while the other half does not. This finding does not consistent with the findings of Wijesiriwardana (1994), which show that not even least effort is taken by the Sri Lankan private sector organisations to practice succession planning; direct recruitment is preferred to succession planning. As discussed later in this section, though in many instances senior managerial positions are excluded from the internal promotion systems by the companies that do not have succession systems, middle and lower level managers have opportunities for being selected as potential successors, when vacancies available. Further, the findings of the study also does not consistent with the observations made by Wijetunge (1992) which show that organisations face disturbances in the identification of future development needs of potentials due to absence of available information on potential successors. Even in the companies where succession systems do not exist, companies have plenty of information on the performance of employees, including managers (please refer to the section on identification of MD needs using performance appraisals in this chapter).

Answers to the question on the frequency of usage of succession plans to identify development needs of potential management successors is shown in table 9.3.

Table 9.3: Usage of succession plans to identify development needs of potential management successors

Item	C, %	Always	Often	Sometimes	Almost never	Total	Mean	STD
Usage of succession plans	C	10	15	9	5	39	3.77	0.99
	%	25.6	38.5	23.1	12.8	100		

C= Count, %= Percentage
Source: Survey data, 2001

The data reveal that out of the 39 companies that maintain succession plans, 64.1 per cent use them more frequently to identify development needs of potential successors.

Hence, data reveal that the majority of companies that maintain succession plans frequently use them to identify development needs of potential successors.

In the next section interview data collected in relation to the identification of development needs connected to succession plans are presented.

Interview data

During the interviews with HR managers and managers of the clothing manufacturing industry, different aspects of succession planning have been revealed.

The companies that maintain succession plans believe that though HR personnel hold the main responsibility in maintaining succession plans, a contribution should also be made by the line managers. According to one HR manager from a collaborated company:

"Every senior manager has been asked to develop a succession plan for the people in their departments. For example, if I leave the company today, a vacuum should not be created. Someone should be able to fill that position and take over the work very smoothly. What we have told to senior managers is, if you have not created a successor, you won't get promoted".

The HR manager went on explaining how succession plan helps in identifying development needs of their managers by saying:

"We have a succession plan, so we have different types of development programmes for such people. For example, If I am targeting my assistant HR manager to be promoted as the HRD manager in a future date, the type of development she has to be put through will be quite different from another person in my department".

Though half of the companies in the sample do not maintain succession plans, most of them have not disregarded the idea of giving promotions internally. According to one HR manager from a local company:

"From the evaluation reports and performance on the floor we promptly recognise and promote those high-performers. Otherwise, he/she will be taken by another company. All companies have similar sections and positions such as, work-study, sample-room, etc. These sections always have vacant jobs. So we are very careful. Some of these 'chaps' are really good. If they leave, it is very difficult for us to replace them. ...(but) we don't do pre-planning".

The majority of companies accept that if a vacancy is identified, at least few months before, or if new positions are going to be created, HR managers are encouraged to look for a person inside. Then, HR managers are encouraged to provide him/her with necessary development opportunities before and after the appointment. It is also revealed that these promotions are mainly based on the information provided by performance appraisals. However if the vacancy is sudden, HR managers are encouraged to look for a potential manager from external sources. The managers interviewed from these companies also confirmed this view.

However, internal promotions given by companies, which do not have succession plans, mainly restrict those promotions to lower and middle managerial positions. These companies prefer to promote operational level workers to lower level management and lower level managers to middle level management, as they can better understand the prevailing company system of "doing things". However, companies always prefer to recruit personnel externally for higher positions to attract people with "modern skills". According to one HR manager from a local company:

"There are plenty of opportunities for junior staff. Supervisors come from the operational level. It is easier for us to promote one from inside, because they know how we do business here. They can understand our system very well. But for senior managers it is restricted. We usually go for outside, when knowledge, skills and attitudes are matters".

The study of Lauterbach and Weisberg (1994) reveals that companies prefer internal succession as it provides continuity, stability and promotes loyalty. As internal candidates have developed the existing corporate strategy with incumbent management, they are not likely to disrupt current strategies, corporate culture and control structure. However, proponents of external succession suggest that external succession can achieve more drastic changes in a company because externally recruited managers are not bound by old policies and implicit contracts within a company. Further, according to Fields et al (2000), companies that promote external recruitment also anticipate that internal personnel may not yield enough of the management talent needed for achieving organisational goals. Therefore, the researcher has her doubts on to what extent those externally recruited senior managers are capable of transforming the existing way of doing things, if the grass root level of the organisation prefer the otherwise.

When HR managers were asked for reasons for not having succession plans, or why companies oppose the idea of succession planning, they provided different explanations. According to one HR manager from a collaborated company, succession plan is difficult to administer due to internal organisational factors. According to him:

"We don't have a succession plan. Yes, definitely succession plan will be helpful in identifying development needs. But practically it is very difficult. I think if we try to do succession planning, ignoring other factors in the set up, succession plan, itself, will create some other problems like conflicting interests. When others know that 'this' person has been identified to take up to a higher level, then there will be a problem".

However, now succession planning tries to balance pool of people against groups of jobs instead of trying to match individuals to particular positions through detailed plans. Therefore, the researcher feels that when attention is given to establish several promotional ladders for potentials at different levels, succession plan will not cause such problems; instead, this flexible approach will make an input to the strategy and develop managers with a long-term in mind. Such a succession plan will increase the moral of potential successors to work even harder.

Another reason revealed during the interviews is that though succession plan can be helpful, there are difficulties in maintaining them due to high mobility of managers. According one CEO of a locally owned company:

"The whole industry is working on a fast moving situation. If a person leaves, we can easily get another person, even senior people. Companies find it difficult to keep even senior people. It is true garment industry has faced a trendy situation of 2005 quota free era, still this is the best-paid industry in Sri Lanka. So mobility is high, too".

The researcher feels that this might have a truth when considering the high level of graduate unemployment and under-employment that prevail in the country.

However, the perception of other senior managers regarding succession planing and internal promotions is quite different from that of their CEOs. According to them, managers have the opportunity to improve their performance through experience; organisations, on the other hand, try to get the maximum advantage by keeping them in the same opposition as long as they can, without opening clear career paths. And when it comes to vacancies, they prefer external recruitment. According to one senior manager from a foreign company:

"... it is better to go to another place. The companies I worked always tried to keep me at the same position and the same salary-scale as long as they can. Their aim is to get more from us than what they give for us. We meet buyers every day. When there is a job, they tell us".

A production manager of a clothing manufacturing company described how work experience and mobility helped him to reach higher and higher positions in hierarchies of different organisations, during a period of 12 years.

"I joined the industry as a production assistant in a local clothing company. It was 1988. I worked there for 4 years. During that time I completed a course on clothing manufacturing (using own funds). Then I joined another company as an assistant quality control manager. I got much better facilities there. I worked there for nearly 2 years. My experience with the first and second jobs helped me to get my third job in a buying office- it is a foreign one. I got lot of experience in handling (including shipping) many world-reputed brands. After about 5 years, I joined my 4th job as the production manager. It is also a local company. This place was in search of a person who can handle M&S orders; I got that experience from my 3rd job. Now my salary is 1 ½ times more than my 3rd job".

It is explicit that Sri Lankan managerial labour market, like UK (Storey et al 1997), is highly segmented. A manager begins his/her career in a function, such as accountancy, engineering, marketing or personnel, which has its own professional body, entry qualifications, codes of ethics and discipline. Therefore, opportunities for such managers to develop like Japanese managers, where individual managers acquire experience from promotion and mobility within the organisation rather than from moving between different organisations, is limited (Handy 1987; Okazaki-Ward and Amaya 1996; Suzuki 1996; Storey et al 1997; Kagono 1996). Therefore, researcher cannot disagree with the

observations made by Abeywickrama (1996) and Fernando (1995) that career mobility reflected to be a common occurrence among professionals. On the other hand, the majority of clothing manufacturing companies consider it as an achievement to grab a professional manager from another clothing manufacturing company, encouraging further career mobility. Such companies view it as an opportunity to acquire knowledge, skills, competencies, organisational secrets etc, the manager brings in from the out side.

Overall, 50 per cent of the companies maintain succession plans for managers and from those, 64 per cent use them to identify development needs of potential successors. However, the companies that do not maintain succession plans do not disagree with the idea of promoting managers, when vacancies are available. However, in such instances, promotions are mainly restricted to lower and middle managerial positions.

In the following section, assistance given by performance appraisal in the MD needs identification is presented.

Identification of development needs connected to performance

The department/division's mission and work processes a company uses determine jobs the department/division need to accomplish organisational objectives. The identification of development activities required for each job involves the identification of skills required to perform these jobs and comparison of required skills to current skills level of the employees who perform the jobs. It is MD's function to bridge the gap between current and required skills. For this purpose, documented performance appraisal information can be used (Wills 1998b; Tavernier 1971; Mathis and Jackson 1994; Schuler 1987). Appraisal information can be used for three purposes, namely, the developmental appraisal purpose, the maintenance appraisal purpose and the remedial appraisal purpose. Management development has a connection to developmental as well as remedial appraisal purposes as development needs identification is an obvious outcome of the appraisal process, which focuses on current and future employee improvement areas (Laud, 1984). Therefore, in the study an attempt is made to investigate the extent to which performance appraisal systems exist for managers and the usage of performance appraisal information to identify current and future development needs. For these purposes, a set of questions in a Likert type five-point scale was asked from HR managers.

Answers to the question on the existence of performance appraisal systems are shown in table 4, appendix 5. The data reveal that 98.7 per cent of the companies have formal systems of assessing managerial performance. The majority of companies (92.5%) conduct performance appraisals for managers at least once a year. This finding is consistent with the other studies conducted in Sri Lanka by Dias (1990) and

Chandratilake (1997) although those studies were not conducted in the clothing manufacturing industry. The studies of Snape et al (1998) in Hong Kong and the UK, Arthur et al (1995) in West Africa and Storey et al (1997) in Japan and the UK also revealed similar findings. However, it is revealed during the interviews that either companies with 2 or 3 managers or companies established as family owned businesses with family members in managerial posts are reluctant to conduct performance appraisal. However, the number of those companies is negligible compared to the total number of responses received.

Answers to the questions on the frequency of the usage of performance appraisal information to identify current and future development needs are shown in table 9.4.

Table 9.4: Usage of performance appraisal information to identify current and future development needs

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
To identify current needs	C %	25 32.1	27 34.6	21 26.9	4 5.1	1 1.3	78 100	3.91	0.96
To identify future needs	C %	7 9.1	27 35.1	27 35.1	10 13.0	6 7.8	77 100	3.25	1.05

C= Count, %= percentage or valid percentage values for 78 respondents

Source: Survey data, 2001

The data suggest that almost 67 per cent of the companies use performance appraisal information to identify current performance deficiencies, while 44 per cent of the companies use performance appraisal information to identify future development needs. Hence, it is apparent that the identification of present needs is more popular than the identification of future skills needs by means of performance appraisal information.

In the following section, interview data and secondary data collected in relation to the identification of development needs connected to performance are presented.

Interview data and secondary data

During the interviews with HR managers the researcher discovered several aspects relating to the performance appraisal. Further, the researcher had opportunities to view performance appraisal related documents in all most all companies she visited. The majority of those companies had written documents on procedures and guidelines for performance appraisal.

Exhibit 9.2 shows an extract from a performance appraisal guideline, which is taken from a human resource manual of one local owned company. Such documents reveal the extent to which companies make efforts to standardise the practices of performance appraisal throughout an organisation. However, in these written documents organisational procedures relating to MD are not mentioned.

Exhibit 9.2: Procedure for performance appraisal

4.1. Introduction:

"...we appraise performance of employees as well as managers. Copies of appraisal forms to be filled are annexed herewith. The necessary instructions in filling the forms are indicated in the appraisal forms. The employees to be appraised should be assessed on his/her job functions giving unbiased assessment.

4.2. Types of evaluation:

Every employee should be evaluated at the end of the each year. Promotions and increments are based on the results of the evaluation. Evaluations should be conducted at least 1 month prior to the end of the year.

Every employee under the period of probation should be evaluated at the end of his/her probationary period. The evaluation should be conducted before the due date and the employee should be informed whether he/she will be confirmed as a permanent employee.

4.3. Appraisal interview and bench marking:

This should be a formal face to face interview between the employee and the head of the department. The head of the department should explain the strong points and weak points to the employee, areas to be improved and development requirements of the employee. After the appraisal interview, appraisee should come into an agreement with the head of the department of the tasks that he/she is going to accomplish during the coming year. Such agreed tasks would be perfected in the form attached along with the appraisal form...

Appraisal process is covered by a controlled ISO document under the reference number TR/R/1.

Source: Internal document of a local company

It is generally practised that immediate superior manager assessing the immediate subordinate managers; this is practised at the each level of the management. Snape et al (1998) also identified that in almost all cases appraisal was conducted by the immediate superior.

According to HR managers in some companies, managers are asked to write a report- on annual basis. In such reports, managers have to state what they have done during the year (their contribution to the company) and what they are planning to do during the coming year; managers are allowed to request any development opportunities they might think will applicable for their future performance. These reports are then transferred to his or her personnel file. After submission of this report, during a later instance, individual appraisal discussions are held with the immediate senior manager. The researcher finds that submission of a report emphasises self-evaluations and gives managers a feeling of democracy in an organisation. Researchers, like Eastby-Smith et al (1995), also observed the practice of written self-evaluation reports in their study. However there are few exceptional companies in the sample that use 360° appraisal at all the managerial levels to develop a personal agenda for improvement. The researcher feels that these companies may be in a process of encouraging managers in starting a process of self-development to develop a clear image of managers for themselves by asking how other parties see them.

It is observed that, in all most all companies, performance appraisal centres on performance appraisal forms. In the majority of companies performance targets are stated in the appraisal form; performance appraisal is conducted by the immediate superior, where each and every company uses its own grading system.

When considering the criteria that have been used in formal performance appraisal systems, some companies have employed short-term criteria to pursue rather short-term objectives, while others have focused on long-term goals and set up long-term criteria as performance standards for their employees. This fact comply with the findings of Hsu and Leat (2000), where they identified that the Taiwan manufacturing industry has short as well as long-term criteria for assessment. In the case of managers working in the production function related fields, performance appraisal is more focused on short-term criteria that hinder reduce costs, economise on wastage, reduce shipment delays, reduce rejection rates by the buyers, etc and increase the number of pieces produced on daily or weekly basis. In the case of behavioural aspects, emphasis is made to reduce the number of complaints received from production-floor workers, reduce daily absentees and monthly worker turnover, etc. When it comes to focus on long-term goals, especially, senior managers are given targets on three general categories: strategic accountabilities, job responsibilities, and development and special objectives. Companies tried to balance both qualitative and quantitative aspects in appraisal. These companies emphasise on having more qualitative aspects for managers at the higher levels of the hierarchy while more quantitative aspects for managers at the lower levels of the hierarchy. However, in the case of managers employed in the production function, other than formal appraisal, informal appraisals also take place. Generally, progress on the production-floor is accounted for at least once a month during company progress review meetings, in which all the managers of the production function and the top management of the companies take part. Appendix 6, exhibit 1 provides information on some of the criteria use by one local owned company in progress review meetings . During these review meetings, how a company has managed to achieve pre-set monthly production targets are highly evaluated. Hence, these informal appraisals have a great effect on the survival of managers and on the provision of development programmes for managers in the production function. With regard to perception of production managers regarding performance appraisals, both formal and informal, it is revealed that they see them as organisational realities that are vital for the clothing manufacturing companies to remain in the competition within the country as well as within the world. However, there are few production managers, who held more speculative views about performance assessments. According to one such manager from a foreign company:

"Performance appraisal put myself in a dimension. I can concentrate more on my work; my focus is good then".

However, the researcher feels that due to existing pressures on the production level managers to achieve high levels of production related targets, conflicts can arise between organisational and individual development interests. Organisational goals can lead to the creation of an adversarial, low-trust relationship between superiors and subordinates. This in turn precludes superior from performing a problem-solving and helper role that is essential if organisations want to serve developmental goals.

With regard to approaches to performance appraisal, these have ranged from objective-based rating and ranking techniques to written reports. However, unlike Lawler et al (1995) and Snape et al (1998) the researcher has not been able to find companies that use more complex and elaborate methods of performance appraisal, such as behaviourally anchored rating scales and MBO. Further, unlike Hsu and Leat (2000), the researcher has not found instances of assessing performance using group measurement criteria - emphasis is placed on individual managers' performance. The researcher feels that if companies tend to use group measurement criteria in performance appraisals, those can induce co-operative and interdependent behaviour that results in improved performance. Though Snape et al (1998) observed that appraisal system tend to rely less on homogeneous and standardised criteria at senior levels, the researcher has observed that not only at senior levels but also at all the managerial levels of the production function, appraisal process more rely on job based, results oriented and essentially individualised criteria.

However, variations in performance appraisals have been revealed in terms of the appraisal discussion and the confidentiality of performance information. Most of the HR managers interviewed revealed that after each appraisal meeting, parties in the appraisal process set targets for the next review period. If it is identified that some areas are lacking during those review meetings, the development opportunities will be provided. This situation agrees with Armstrong (1996), who mentioned "...if performance management to be effective, there needs to be a continuing agenda through regular meetings to ensure that good progress is being made towards achieving the objectives agreed for each key result area". Further, this observation is consistent with the observations made by Snape et al (1998, p841) in their study. However, in few companies appraisal information is being treated as confidential reports; feedback on performance is not given to individuals. A similar observation was made by Jinendradasa (1998) in another Sri Lankan study. Further, Storey et al (1997) and Endo (1994, as cited in Storey et al 1997) also observed that there was lack of feedback to the individual, in the Japanese performance appraisal system. However, the researcher feels that restricting performance appraisal information could lead to problems. In one hand, individuals want valid feedback that gives them information about how to improve and where they stand in the organisation. On the other hand, they want to verify their self-image and obtain valued rewards. In essence, the

goals of individuals imply a necessity to be open (to give valid feedback for improvement) yet to be protective (to maintain a positive self-image and obtain rewards).

Other than developmental purposes, the most frequently cited other use of performance appraisal information is for personnel related decision-making, such as salary increments and promotions. These observations are consistent with the findings of Snape et al (1998) and Smith and Hayton (1999). However, in the case of senior production managers, a frequently cited "other use" included cash awards or bonuses at the end of the financial year or in some cases at the end of the completion of large orders of millions of Rupees. However, a few companies mentioned that they only use appraisal information to give annual salary increments.

Overall, the majority of companies maintain a performance appraisal system to assess performance of managers and use performance information to identify current performance deficiencies. However, the use of performance appraisal information to identify future development needs is comparatively low. Companies use performance appraisal techniques that range from objective-based rating and ranking techniques to written reports. It is observed that performance appraisal centres on performance appraisal forms.

In the next section, the data collected in relation to the identification of development needs through sources other than organisational strategy, succession plans and performance appraisal are presented.

Identification of development needs through "other sources"

In the study, an attempt was made to investigate other sources used to identify development needs. It is revealed that some companies identify them through quality issues, safety issues, etc. Two companies in the sample, one local and one foreign company mentioned that they conduct separate development needs analysis, other than performance appraisal, for all employees. Exhibit 2, in appendix 6, shows an extract of the record of development needs analysis of a local company. According to the HR manager from the foreign company:

"Since last November, we have been conducting development needs analysis. In performance appraisals we keep a provision to indicate development needs by respective departments. But when analysing performance data we have noticed this identification has not been very much complete. So, starting from this year, we have been conducting a separate development needs analysis by means of interviews. Up to now, we have completed identifying needs of all the people involved in technical fields, in the management category. Based on development needs indicated in performance appraisal, we have prepared a development needs analysis form on a common format. So, already identified development needs from the performance appraisal are also indicated in

the form. First, we had an introductory session with employees; we explained the objective of development needs analysis and we guided them to identify their own development needs. With regard to required skills, knowledge or attitudes- of course - self-judging attitudes is difficult, but we gave them an understanding. Through systematic development, we are going to provide them with required skills. We are going to improve skills and knowledge, and change attitudes in a positive direction. With this understanding, based on their current list of duties, we persuaded them to think on, for example- my first duty is this- for that do I have the required knowledge to perform them, do I have the required skills, on my judgement, am I very correct in performing the tasks I have to perform? Through this type of self-questioning we asked them to identify development needs by themselves".

This HR manager's responses reveal that the company is emphasising managers' judgement in identifying his/her development needs. Further, it is revealed that in addition to the annual performance appraisal process they conduct this separate needs analysis.

The preliminary investigations revealed that the most popular "other source" in identifying development needs is through "requests". To investigate whether HR managers receive requests and to investigate who make those requests a question on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 9.5.

Table 9.5: Identification of development needs through requests

Item	C %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Requests from managers themselves	C	4	16	34	17	6	77	2.94	0.98
	%	5.2	20.8	44.2	22.1	7.8	100		
Requests from senior managers	C	6	28	28	4	9	75	3.24	1.09
	%	8.0	37.3	37.3	5.3	12.0	100		

C= Count, %= Valid percentage values for 78 respondents
Source: Survey data, 2001

The data suggests that 45 percent of the HR managers receive frequent requests from senior managers, who like their management subordinates to be developed. Further, 26 per cent of the HR managers receive requests from managers themselves. These companies rely on individuals and their bosses to flag their development needs to the HR managers. Smith and Hayton (1999) also revealed similar results in their study.

In the following section, interview data collected in relation to the identification of development needs through "other sources" are presented.

Interview data

The interview data revealed that senior managers or the heads of departments are the people, who identify development needs, other than through performance appraisal, which are directly connected to jobs; they make requests to HR managers. It is also

revealed that the heads of departments are the people, who come up with changes in new technology and make requests to update existing company systems. This situation, especially, occurs in the production function of the companies. Having received requests, HR managers look for avenues to fulfil such requests.

In many instances, managers themselves make requests. In such instances, some companies consider both company interests as well as individual's interests. Thus, according to one HR manager from a collaborated company:

"I look at them positively. We have a development budget. When the request is not budgeted, I have to say that I will make an allocation in our next year's budget. So he (she) can attend the programme next year. If not, I have to asked him (her) to enrol the programme using his (her) own money, and I will reimburse the cost in the next year".

However, there are some companies that are more speculative about requests from managers themselves. These companies are more concerned whether such requests are relevant to the company. According to one HR manager from a local company:

"If managers want development opportunities, they can request. Then we decide whether to pay the full amount of the cost or 50%, depending on the situation. If it is a company requirement, we pay the full fee of the programme. Earlier we paid whole course fee for personal requirements, but now we pay only 50%".

According to another HR manager from a local company, they are more concerned with individual needs:

"We analyse the request, and if it is not that relevant to the company we pay 50% of the cost. We know these people have financial difficulties, so we give them a loan to pay the other 50% too. But the manager has to pay that back in instalments".

The researcher feels that this approach gives certain benefits to the company too. It blocks the avenues available for managers to look for better jobs in other companies, just after undergoing development programmes. Therefore, the company can make use of the new knowledge, the manager gained, if they find it valuable in a later time.

Human resource managers have also mentioned that having received "requests", they compare them with already identified needs in the development records, and if there are anything to be added, the records will be updated.

Overall, the main source used to identify development needs other than corporate policies and strategies, performance appraisal and succession planning is requests from both managers themselves and senior managers who like their management subordinates to be developed.

In the following section, the data collected on the existence of development databases in relation to the identification of development needs are presented.

Existence of development databases and validation of management development needs

Development requirements need to be validated to identify the individuals who actually need to undergo development activities. This ensures that development activities are both appropriate and necessary (Bratton and Gold 1999; Wills 1998b). Therefore, in the study, an attempt was made to investigate whether companies validate the development needs by asking two questions from HR managers. First question investigated whether companies maintain development databases. For this purpose, a dichotomous question was asked. Second question investigated how often companies validate development needs. For this purpose, a question on a Likert type five-point scale was asked.

Responses received for the existence of databases are shown in table 5, appendix 5. According to the table, 41 per cent of the companies have separate development databases. During the interviews, it is revealed that a limited number of companies maintain computerised development records; the majority of companies maintain those in the traditional way, in paper format. These records are maintained in terms of the level of management or function within the organisation, such as production. Exhibit 3 and 4, in appendix 6, show such development records of two local companies. During the interviews, it is also revealed that some companies, irrespective of their ownership type, maintain separate development records because it is a requirement under international quality standards. The impact of international quality standards in maintaining development records was also observed by Smith and Hayton (1999) in their study. The companies that do not maintain separate records, however, mentioned that required information is available, on individual basis, in individual personnel files.

Responses received for the validation of development needs are shown in table 6, appendix 5. The data shown in the table suggest that 46 per cent of the companies validate development needs prior to estimate MD workload. During the interviews it is revealed that most often HR managers have to prioritise development requirements based on the urgency of the need, availability of financial resources, and time availability or departments' ability to release all managers who requested a particular development programme at one time.

In the following section, the summary of findings in relation to the identification of development needs is presented.

In summary, it is found that the majority of companies (59%) identify MD needs. When the results of ANOVA is considered, there are significant differences across companies in terms of ownership in the frequency of the identification of development needs of managers. Though it is expected to identify that foreign companies will be more likely to

be involved in the identification of development needs, it is actually revealed that collaborated companies are more likely to be involved in the identification of MD needs than the companies belong to the other two types of ownership. Further, differences between collaborated companies, in identifying MD needs are significant compared to local companies (sig.=0.011).

When considered how corporate policies and strategies give rise to MD needs, data suggest that the introduction of new development activities to address specific company issues is the most popular (53.3%) while the identification of development needs before being given promotions is the second most popular (31.2%). However, most of the companies do not identify development needs before being given salary increments (48.1%).

Only half of the sample (39 companies = 50%) maintain succession plans for managers. Of those companies, 64.1 per cent frequently use succession plans to identify development needs of potential successors. In contrast to the existence of succession plans, data reveal that 98.7 per cent of the companies have formal systems for assessing managerial performance. The companies most frequently identify current development needs through performance appraisal information ($x=3.91$). However, 44.2 per cent of the sample also frequently use performance appraisal information to identify future development needs of managers ($x=3.25$).

When considering "other sources" of individual development needs identification, it is revealed that "requests" is the most popular. Forty-five percent of the HR managers frequently receive requests from senior managers who like their management subordinates to be developed and 26 per cent of the HR managers frequently receive requests from managers themselves.

It is revealed that 41 per cent of the companies have separate development databases. However, during the interviews it is revealed that most of the companies that do not have databases also maintain development records in individual personnel files. It is, further, revealed that 46 per cent of the companies frequently validate identified development needs prior to estimate MD workload.

9.3. Setting management development objectives

Objectives are an essential tool for developers of the MD activities, providers of those activities and for learners. Developers use objectives to determine content of the activities; providers use objectives to validate/evaluate what has been learnt and learners use them to get an overview of what they are going to learn. Further, the objectives of development activities should relate back to the development needs identified in the

needs analysis (Wills 1998b). One of the objectives of the study highlighted earlier is to investigate whether companies set MD objectives.

This was explored by asking HR managers to respond to a question on a Likert type five-point scale. Their responses to the question are shown in table 9.6.

Table 9.6: Setting MD objectives

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
How often do you set development objectives	C	5	28	33	8	4	78	3.28	0.92
	%	6.4	35.9	42.3	10.3	5.1	100		

C= Count, %= Percentage

Source: Survey data, 2001

The data suggests that 42 per cent of the companies are in favour of frequently setting MD objectives. Only 5 per cent never set objectives. Hence, it is apparent that the companies are more likely to set MD objectives than otherwise. This is again a criterion that can be used to explain the systematic nature of MD in clothing manufacturing companies.

Hypothesis test 2

To determine variation in setting MD objectives across ownership types the study hypothesised:

Hypothesis 2: There will be significant differences across ownership types regarding frequency of setting MD objectives. It is expected that 100% foreign owned companies will be more likely to be involved in setting MD objectives than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.7.

Table 9.7: ANOVA of setting MD objectives

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Setting development objectives	3.31	3.15	3.40	0.424	0.656

The results of the analysis reveal that there are no significant differences in the frequency of setting MD objectives across the companies in terms of ownership type. Hence, hypothesis is rejected. The companies, irrespective of their ownership type i.e., locally owned, foreign owned and collaborated companies set MD objectives.

In the following sections two aspects relating to MD objectives are presented. Those are criteria that have been used to set MD objectives, and the utilisation of MD objectives throughout the MD effort.

Criteria used to set management development objectives

To investigate criteria used to set MD objectives, a question on a Likert type five-point scale was asked from HR managers. Their responses to the question are shown in table 9.8.

Table 9.8: Criteria used to set MD objectives (in percentages)

Base criteria	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Skills/abilities	52.6	37.2	7.7	2.6	--	100	4.39	0.74
Attitudes	44.9	39.7	10.3	5.1	--	100	4.24	0.84
Knowledge/ understanding	41.0	42.3	15.4	1.3	--	100	4.23	0.75
Application of knowledge	43.6	29.5	15.4	7.7	3.8	100	4.01	1.12
Business objectives	33.3	41.0	16.7	6.4	2.6	100	3.96	0.99
Managerial commitment	28.2	47.4	17.9	3.8	2.6	100	3.95	0.92
Flexibility	17.9	41.0	23.1	15.4	2.6	100	3.56	1.04
Profits	27.3	27.3	24.7	10.4	10.4	100	3.50	1.28
Managers' reputation at work	10.3	34.6	29.5	16.7	9.0	100	3.20	1.12
Completing a project	16.7	21.8	20.5	26.9	14.1	100	3.00	1.32

Source: Survey data, 2001

The data suggest that setting MD objectives in terms of skills/abilities is the most popular ($x=4.39$), while setting objectives in terms of completing a project is the least popular ($x=3.00$). Further, according to the table, setting objectives based on individual criteria is the most favoured. In fact, more than 83 per cent of the companies frequently set MD objectives using individual criteria, namely, skills (89.8%), attitudes (84.6%) and knowledge (83.3). Among organisational criteria, setting objectives in terms of achieving business objectives is the most favoured ($x=3.96$, 74.3%). However, overall it is ranked 5th by the HR managers. Setting objectives based on profits is not frequently used; it is ranked 8th with a mean value of 3.50 (54.6%). The lack of use of organisational criteria to set MD objectives may be due to the difficulty of evaluation because MD is only one of the many factors that influence performance of an organisation (ILO, 1986; Warr, Bird, and Rackham 1970 as in Hall 1976).

In the following section, data relating to the utilisation of MD objectives throughout the MD effort are presented.

Utilisation of objectives throughout the management development effort

To investigate how pre-set objectives are utilised within the MD effort, a question on a Likert type five-point scale was asked from HR managers. Their responses to the question are shown in table 9.9.

Table 9.9: Utilisation of objectives throughout the MD effort (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
To chose development activities	20.8	44.2	26.0	3.9	5.2	100	3.71	1.01
To develop company specific programmes	7.8	35.1	31.2	16.9	9.1	100	3.16	1.09
To validate development activities	5.2	36.4	39.0	13.0	6.5	100	3.21	0.96
To help managers to have an overview of what they are going to learn	5.2	40.3	41.6	5.2	7.8	100	3.29	0.95

Source: Survey data, 2001

The data suggest that development objectives are most frequently used by HR managers to chose development activities ($x=3.71$, 65%). Management development objectives are also used to provide an overview of what managers, to be developed, are going to learn ($x=3.29$, 45.5%). Objectives are not frequently used to validate development programmes ($x=3.21$). The objectives are least utilised to develop company specific MD programmes ($x=3.16$). As discussed in section 9.4, the reason may be that most of the companies prefer to send managers to pre-set external programmes than developing their own company specific programmes.

In the following paragraphs, the summary of findings in relation to setting MD objectives is presented.

In summary, it is found that 42 per cent of the sample is in favour of frequently setting MD objectives; only 5 per cent of the companies never set objectives. The analysis of variance reveal that there are no significant differences in the frequency of setting MD objectives across companies of different ownership.

Further, it is found that setting MD objectives based on individual criteria is the most favoured. More than 83 per cent of the companies frequently set MD objectives using individual criteria, namely, skills (89.8%), attitudes (84.6%) and knowledge (83.3%).

The data, also, reveal that MD objectives are most frequently used by HR managers to chose MD activities ($x=3.71$, 65%). The objectives are least used to develop company specific MD programmes.

9.4 Designing and planning management development activities

The development interventions that could meet the set objectives have to be selected or designed and planned. Not all MD interventions call for a straightforward transfer of knowledge/skills, therefore the most appropriate development interventions have to be considered. One of the objectives of the study highlighted earlier is to investigate whether companies design and plan MD activities.

This was explored by asking HR managers to respond to a question on a Likert type five-point scale. Their responses to the question are shown in table 9.10

Table 9.10: Designing and planning of MD activities

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
How often do you Design and plan	C	21	19	25	6	7	78	3.47	1.24
	%	26.9	24.4	32.1	7.7	9.0	100		

C= Count, %= Percentage

Source: Survey data, 2001

The data suggest that 51 per cent of the companies in the sample frequently involve in designing and planning MD activities some way or other. Only 9 per cent never involve in this process. Therefore, it is apparent that the majority of clothing manufacturing companies believe that MD activities should be frequently selected or designed and planned; the number of companies that involve in the process is more than the companies that do not involve in the process.

Hypothesis test 3

To determine variation in designing and planning MD activities across ownership types the study hypothesised:

Hypothesis 3: There will be significant differences across ownership types regarding the frequency of designing and planning development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning development activities for managers than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.11

Table 9.11: ANOVA of designing and planning MD activities

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Designing and planning	2.91	3.73	4.25	9.772	0.000

The results of the analysis reveal that there are significant differences across companies in terms of ownership type in the frequency of designing and planning MD activities. Therefore, the Least Significant Differences (LSD) table is drawn to compare each group with every other group and computed the significance of the difference. The results are shown in table 7, appendix 5. When local companies are compared with the other two ownership types, differences between local companies are significant compared to foreign companies (sig.=0.006) and collaborated companies (sig.=0.000). However, there are no significant differences between foreign companies compared to collaborated companies. Hence, it is apparent that foreign and collaborated companies are more likely to be involved in designing and planning development activities for managers than their counterparts in the local companies. Therefore, hypothesis is partially accepted.

Different aspects of designing and planning MD activities are dealt with in the following sections using the data collected from questionnaires, interviews and secondary data.

Formal and informal methods of management development

Researchers suggest that learning is most likely to result from experiences, which are relevant and significant to the individual (Doyle and Young, 2000). Thus, informal development usually occurs during the course of managers' everyday work (Mumford 1997; Armstrong 1999). Nevertheless, deliberately planned development activities play a significant part in the development of skills underlying managerial performance (Burgoyne and Stuart 1978). Therefore, in the study use of both informal and formal development opportunities are probed, in the Sri Lankan clothing manufacturing industry. In the following sections the nature of both formal and informal development opportunities are presented based on the information gathered from the questionnaire data and interview data.

Formal development methods

In the study, HR managers' responses were analysed to find out their involvement in designing and planning different types of formal development methods for managers. Further, managers' responses were analysed to find out their experience in receiving different types of formal development methods.

In order to investigate HR managers' views on the frequency of designing and planning different types of formal development methods for managers, a set of questions on a Likert type five-point scale was asked. Their responses are shown in table 9.12.

Table 9.12: Designing and planning different types of formal development methods for managers (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Job redesign methods	5.1	19.2	32.1	34.6	9.0	100	2.77	1.03
Development activities within job	12.8	43.6	30.8	7.7	5.1	100	3.51	0.99
Development activities external to job	20.5	34.6	29.5	10.3	5.1	100	3.55	1.09
Self-development activities	2.6	22.1	33.8	24.7	16.9	100	2.69	1.08

Source: Survey data, 2001

The data suggest that companies are more likely to design and plan "development activities external to job" ($x=3.55$) followed by "development activities within the job" ($x=3.51$). In fact, the mean difference between the two categories is negligible (0.03). However, "redesigning jobs" for development purposes (5.1%) and encouraging managers for "self-development activities" (2.6%) are not popular.

These findings are consistent with the findings of Storey et al (1997) that MD in Britain was frequently seen as a matter of "going on courses". Further, these findings are consistent with the findings of Lawler et al (1995) that HR managers in Thailand were less apt to use on-the-job development methods and more apt to use off-the-job development methods. However, these findings are not consistent with Storey et al's (1997) observations in Japan. Though there is an increased recognition that self-development is an important concept in the whole programme for MD (Beach 1975; Romiszowski 1990; Handy 1987), in the Sri Lankan context self-development activities are not popular.

The study is not only interested in obtaining HR managers' views on the frequency of designing and planning different formal development methods but also managers' views on the frequency of receiving different types of formal development activities. Therefore, a set of questions on a Likert type five-point scale was asked from managers. Their responses are shown in table 9.13.

Table 9.13: Detailed breakdown of different types of formal development activities received by managers (in percentages)

Formal development method	Always	Often	Some times	Almost never	Never	Mean	STD
<i>Job redesign methods</i>							
Job rotation	9.3	10.3	24.8	15.9	39.7	2.34	1.34
Given more responsibilities to learn	17.1	41.2	24.5	5.1	12.0	3.46	1.19
Work in special groups	12.5	27.3	26.4	15.7	18.1	3.00	1.29
Assignments in committees/ task groups	13.5	21.4	29.8	14.0	21.4	2.92	1.32
<i>Development activities within the job</i>							
Coaching	7.0	20.2	30.5	17.4	24.9	2.67	1.47
Counselling	5.6	20.9	23.3	20.0	30.2	2.52	1.27
Mentoring	11.0	21.7	24.0	18.0	25.3	2.84	1.55
Action learning	7.4	24.7	25.6	18.6	23.7	2.73	1.27
<i>Development activities external to the job</i>							
In-company programmes	10.6	23.5	25.3	19.4	21.2	2.83	1.29
External courses such as, Diploma, MBA,	7.9	17.1	22.2	14.8	38.0	2.42	1.35
Attendance at seminars/ conferences	13.0	29.6	26.9	14.4	16.2	3.09	1.27
Distance learning	1.4	5.1	22.0	17.3	54.2	1.82	1.03
<i>Self-development activities</i>							
Reading magazines provided by the company	3.7	9.8	18.1	19.5	48.8	2.00	1.18
Using library facilities provided by the company	6.1	8.9	12.7	17.8	54.5	1.94	1.26

Source: Survey data, 2001

The data suggest that the majority of managers have experienced "adding more responsibilities to learn" as a formal development activity ($x = 3.46$, 58.3%). The second most experienced form is "attending at seminars and conferences" ($x = 3.09$, 42.6%). "Distance learning" is the least experienced method ($x = 1.82$, 6.5%). As 1st, 2nd, and 3rd ranks all belong to the job redesign methods, it can be said that most frequently experienced form of formal development category is job redesign methods. However, self-development activities are the least experienced category. With regard to development activities within the job, "mentoring" ($x = 2.84$) and "action learning" ($x = 2.73$) have been experienced by the majority of managers. Within the category of development activities external to the job, in-company programmes have been experienced by the majority of managers ($x = 2.83$). However, "attendance at external courses" is ranked 10th ($x = 2.42$, 25%).

When managers' responses and HR managers' responses are compared, HR managers stated that companies most often design and plan "development activities external to the job"; managers also agree that they receive seminars and conferences more often. However, when considered as a category, HR managers most often design and plan "development activities external to the job", while as a category, managers most often experience development activities in the form of "job redesign". Variations in the responses of HR managers in providing and managers in receiving development activities are further probed in analysing interview data.

When the data shown in table 9.13 is compared with other studies conducted in Sri Lanka, these findings are not consistent with the findings of Wijetunge (1992), Fonseka (1998), Sivanesan (2000) or Wijesiriwardana (1994). All of these researchers observed that managers had experienced a limited number of formal development activities mainly through off-the-job methods; the instances of experiencing on-the-job methods, such as mentoring, counselling are very rare. However, none of those studies are conducted in the clothing manufacturing industry.

The findings are consistent with the findings of Henderson et al (2000) and Avery et al (1999) as this study also reveals that attendance at short courses or seminars on specific topics has often experienced by managers (ranked 2nd). However, the findings are not consistent with Lawler et al's (1995) observation in Thailand and Storey et al's (1997) observation in Britain as they revealed that formal methods to a greater extent rely on "courses" provided by outside vendors. Though Institute of Management (1994) observed a trend towards a greater preference for coaches and mentors, in this study those are not highly ranked (5th and 6th respectively). Further, it is revealed that opportunities for managers to experience self-development activities sponsored by the companies are rare. This finding is not consistent with observations in Japan (Storey et al 1997; Handy 1987), but consistent with observations in the UK (Mumford et al 1987).

The interview data in relation to formal development methods are presented bellow.

Interview data

Interviews were conducted to further probe HR managers' experience in providing and managers' experience in receiving formal development activities. The data obtained during the interviews with HR managers and managers of clothing manufacturing companies are presented in the following sections (from 'a' to 'd'). Those data are presented under four categories, i.e., "job redesign methods", "development activities within the job", "development activities external to the job", and "self-development methods".

a) Development activities external to the job

According to all most all managers, when development requests are on technical aspects, managers are sent out for specialised development programmes related to the subject field. During the interviews the researcher discovered that HR managers maintain good relationship with external institutions. Further, HR managers thoroughly check suitable courses and the availability of required course contents with the institutes, prior to send out managers. It is, further, revealed that managers are sent out on individual basis and not in batches, for example 1 or 2 managers from the maintenance section, etc. The duration of these programmes may vary between 3 to 6 months, or even one year. According to HR managers, most of these programmes are conducted in evenings or in weekends; companies fully sponsor such programmes. However, during the interviews it is revealed that only a hand full of companies sponsor their managers to obtain postgraduate degrees in their related fields (such as MSc, MBA). The reluctance of companies to sponsor postgraduate degrees is also observed by Avery et al (1999).

During the interviews all most all HR managers revealed that companies frequently sent out managers for seminars, conferences, or short courses of around 3 days duration. These activities are mainly on recent trends in the clothing manufacturing industry, such as advancements in technology, quality issues, environmental issues, import-export procedures, or even productivity matters. For these development programmes, companies pay the cost of the programme and give full-paid leave. Sometimes companies even provide transport facilities, if several managers from the company attend a particular seminar. Generally, these external seminars are not pre-planned. These programmes are informed to HR managers or the heads of departments by the organisations, which conduct the programmes. Professional bodies, independent institutions, universities and postgraduate institutions offer such short duration programmes. It is further revealed that there are occasions where companies organise, their own in-house seminars or short programmes to fulfil the development needs of several managers. In such instances, suitable instructors are brought in. All most all managers interviewed, also, agreed with the HR managers' replies. Most of the managers, the researcher interviewed, had participated in these types of activities; most of them were 1-2 days duration. According to HR managers, companies are not at all reluctant to release them for short duration programmes. In the point of managers, they also prefer shorter, focused programmes, either in-house or external. These findings are consistent with the findings of Clarke and Metalina (2000), McDaniel and Schermerhorn (1999), and Avery et al (1999). In connection to the findings, Burgoyne's (1990) anticipation, which is external MD programmes are getting shorter and this is just one of the concessions that will be made to cater to the desires and needs of participants, is true in the Sri Lankan context. The researcher feels that these short duration activities play a significant role in improving professional knowledge, which is the knowledge of the

technical/professional as distinct from the knowledge important for professional management. However, according to Bourgone and Stuart (1978), improved professional knowledge could play a part in the furtherance of problem solving skills.

Other than above mentioned seminar type short-duration activities, there are instances where companies organise their own off-the-job, in-house activities to fulfil company specific, but common development needs. According to HR managers, these in-house development activities can be categorised into two. In one categorisation, in-house development activities are classified into company-wide programmes and programmes to address specific requirements of each department/division. In the other categorisation, these in-house development activities are classified according to the level of management and according to the field of specialisation. An observation similar to this is, also, made by Ishizaka (1996) and Arthur et al (1995). As these programmes are organised for several pre-identified managers in a company, they are more pre-planned than above mentioned short-duration activities. According to one HR manager from a collaborated company:

"When it is about technical areas, we send them out. For other types of development needs, we conduct our own programmes. We have our programmes on management styles, team working, leadership and communication skills. Those are in-house activities. Most of these are residential programmes, for selected batches of cross-functional people: starting from junior executives to senior executives, a mix from various departments and levels".

Watad and Ospina (1999) found that both horizontal and vertical integration of participants for development programmes is effective because a dialogue across hierarchical and functional boundaries increases chances of applying knowledge with a strategic perspective, when managers re-enter their work settings.

The other HR managers interviewed by the researcher also said the same tale. According to one HR manager from a foreign owned company:

"Based on development needs analysis, we started programmes on business communication skills, managerial skills and behavioural skills. These are run in-house for groups of people. This is a new approach. Earlier we sent people out and we brought external trainers in, to provide development programmes. But this year we started to develop managers in a methodical way. During the past six months, we conducted in-house programmes. So, up to now we have conducted development programmes to managers on work-study, business communication skills and managerial skills. We are planning to start another two development programmes on leadership and motivation skills".

During the interviews the researcher discovered that one local company and one collaborated company have their own MD institutions. According to the HR manager of the local company, they mainly conduct a business management diploma for junior managers. Other than this, they also conduct seminars and workshops. They use internal

staff as well as qualified visiting staff as instructors. According to the HR manager of the collaborated company, they conduct business management courses starting from certificate level courses for lower level managers to degrees for senior level managers in the clothing manufacturing. The programme to award degrees is conducted in collaboration with Manchester Metropolitan University of UK. Student senior managers are sent to UK on company expenses during their final year of the degree programme to complete their studies. Though there are lot of public sector organisations that have its own development institutions, in Sri Lanka (Wijetunge 1992; Fonseka 1998; Sivanesan 2000), this is the only two, the researcher has come across in the Sri Lankan clothing manufacturing industry. However, Ishizaka (1996) state that it is common to have such company-owned institutions, in Japan, to provide systematic and intensive development programmes on management techniques and expertise.

A few managers, the researcher interviewed, have mentioned that they had opportunities to go abroad for developmental purposes. Some managers employed in foreign companies owned by Singaporean, Hong Kong and Japanese entrepreneurs mentioned that they were given opportunities to go to their parent companies for developmental purposes. Human resource managers also confirmed their view; mentioned that general manager in charge of the Sri Lankan company, together with HR manager, select the most suitable personnel for such development activities in abroad.

In the next section, development activities available "within the job" are presented in the light of the development activities available for managers "external to the job".

b) Development activities within the job

During the interviews with HR managers and managers the researcher discovered several aspects of development activities within the job. With regard to counselling, all most all HR managers revealed that their companies have qualified counsellors. In the case where companies do not have permanent counsellors, companies maintain good relationships with external counselling organisations. It is further revealed, normally, counselling facilities are provided at the reactive level. According to one HR manager from a local company:

"We have well-trained counsellors. Basically all counselling is provided on problem solving basis, at the reactive level. Counselling provided on proactive level is not yet available in our company. This facility is mainly provided for operational level workers. If needed, we entertain managers too".

It is revealed that many companies have managed to maintain a certain level of provision for mentoring. According to one HR manager from a collaborated company:

"We do have a mentoring programme. We started it last year. We encourage each manager to maintain a logbook. I have one-to-one chat

with my superiors. We discuss how I perceive things, what they expect from me and in my opinion what are the areas I think lacking and need improvements. Everyone is supposed to keep a logbook. May be not at very high level, but we are reasonably good and we are fairly consistent in that thing".

In the above circumstances, HR managers play a certain role in the provision of such facilities. However, the researcher also came across situations where HR managers have not played a major role in providing development activities within the job. According to one HR manager from a local company:

"We provide counselling for operational level workers. But there are no specific programmes of counselling, mentoring or coaching for managers, of we are aware of. But the heads of departments can arrange their own programmes, if they need".

The interviews with managers seem to suggest that in certain companies the heads of departments or departmental senior managers on their own-will help managers, without having any specific programmes, such as coaching and mentoring to develop juniors. The researcher feels that there may be two reasons for their involvement. Either, it may be because of the needs of upgrading junior managers in order to accomplish organisational activities smoothly or it may be because the heads of departments/senior managers want to develop their junior managers to open career paths for them. However, it is doubtful to expect the latter to be the main reason in companies where succession systems do not exist. Whatever the exact reason, one manager explained his experience on development activities within the job as:

"After I joined here, my responsibility is given to one of the senior managers. He looks after me. He observes how I do things and give advice, if necessary. My superior passes the skills to me when he is helping me with my job. He advises me to go for courses..."

Most of the managers, the researcher interviewed, revealed that their departmental senior managers are with them, and helped them in solving day-to-day business problems. According to another manager:

"I have learnt lot from experience. Sometimes, it is trial-and-error. Experience is not enough to become the best. My immediate superior is a well-experienced person. He teach me lot in doing work. I think I am lucky".

However, not all managers had experienced the same. Some managers had experienced the situations of "sink or swim" attitude to development. According to one manager:

"When I faced with a problem, I can ask help from my immediate boss, if I think he can and like to help me. In my earlier job, my superior was a well-experienced person. So, I got lot of help from him. But in this place, my superior is not a good practical man. So, I have to do everything by trial and error on my own".

Based on the interviews with both HR managers and managers, the researcher feels that in some companies HR managers hold a leading position in designing and planing

development activities within the job. However, in some other companies HR managers do not involve in such activities, but the heads of departments or senior managers involve in providing such activities. In both cases, managers have opportunities to experience various development activities though in the latter case all managers might have not felt and experienced the same. In the companies that maintain certain level of consistency in providing these development programmes, either with or without the involvement of the HR managers, managers have experienced these in daily organisational life.

In the next section, development activities available as "job redesign methods" are presented in the light of the development activities available for managers "within the job".

c) Job redesign methods

During the interviews with HR managers, the researcher discovered that few HR managers involved in providing development opportunities based on job rotation. According to one HR manager from a foreign company:

"Job rotation is a must, as an induction development programme for production managers- to provide overall knowledge".

However, not all HR managers agreed with this view. According to one HR manager from another foreign company:

"I would say, job rotation is not very much practised here. We know few sections in the production floor are doing it, successfully. But most of the time we (HR people) do not involve in giving this sort of multi-skill exposure".

Most of the managers, the researcher interviewed, confirmed this HR manager's view. All most all managers related to the production area accepted that they have received development programmes based on job rotation, but managers in other sections/departments have not exposed to such programmes (this is also probed in section 9.2). However, it is, further, revealed that in some companies HR managers with the heads of departments, involve in providing these activities while in some other companies these activities are solely arranged by the heads of the departments within his/her department. Therefore, the researcher feels that, especially, the heads of departments in production related sections are more concerned in providing lateral transfer of skills to managers to build competent generalists. However, unlike Japan (Storey et al 1997), rotating managers across departments is not at all practised. A reason may be that managerial labour market in Sri Lanka, like UK, is highly segmented. Typically, managers begin their careers in a function, such as accountancy, engineering, marketing or personnel, which has its own professional body, entry qualifications, codes of ethics and discipline. Further, this observation is not consistent with the observations of Handy (1987) and Storey et al (1997), which is that Japanese companies made formal arrangements for job rotation, and Japanese HR departments extensively use job rotation

as a kind of horizontal promotion mechanism for potential "high flyers". However, the researcher feels that Mumford et al's (1987) observation which is "... the majority of job moves were experienced by the recipients as relatively unplanned" might have a resemblance to the Sri Lankan clothing manufacturing industry. Because, it is unlikely that line managers will provide job moves equally considering both departmental and individual development needs.

When other job redesign development methods available for managers is considered, according to one manager employed in the merchandising section:

"General manager (GM) look after us. Sometimes he gives us books to read. Magazines too. I had initial on-the-job development programme- in the merchandising section. After that, I was given a permanent position. Sometimes GM adds more responsibilities. I don't know whether it is for my development or not. But, if I can't perform the added responsibilities, he removes those".

With regard to experiences of committees, special groups, etc, the researcher received similar responses. Most of such activities are designed and planned by the heads of departments or senior managers, in order to troubleshoot assignments within organisations. Though these could be used to address both organisational needs and employee development needs simultaneously (Hall 1984), in the majority of instances companies only concerned with the accomplishment of business needs. However, there are limited number of instances, where HR managers claim that they involve, to a certain extent, in designing and planning such activities. However, the researcher has not found instances where managers are given temporary assignments in different functions or divisions. These are limited to one department or division; inter-departmental relations are very limited in this matter. However, within the production department, managers have had experience in receiving temporary assignments, involving different sections of the production department/division.

In the next section, "self-development activities" available are presented in the light of the development activities available as "job redesign methods".

d) Self-development activities

Though it is observed in Japan that company sponsored self-development activities are popular (Handy 1987), in Sri Lankan clothing manufacturing companies they are not popular.

During the interviews, it is revealed that correspondence programmes are not popular. A reason may be that the only institute, which offer correspondence programmes is the Open University of Sri Lanka; those qualifications are equivalent to diploma or degree

level. As most of the managers in the clothing manufacturing industry have qualifications above degree level, the companies and managers may not be interested on them.

With regard to the availability of company sponsored library facilities or magazines related to the industry, during the interviews, most of the managers revealed that such facilities are not available. As most of the managers have professional qualifications in their fields (75.3%), a dichotomous question was asked from managers to investigate whether they subscribe (on their own) to any magazines related to their specialised field. The responses are shown in table 9, appendix 5. According to the table, only 36 percent subscribe to magazines. Therefore, it can be said that the regular reading habits of managers are not at reasonable level. This observation is not consistent with Handy's (1987) and Storey et al's (1997) observations in Japan. But consistent with Mumford et al's (1987) observations in the UK.

However, during the interviews with HR managers and managers the researcher discovered that managers on their own interest follow off-the-job development programmes conducted by various institutions. However, as mentioned in section 9.2, most often at least half of the programme fee is paid by the companies, where they are working. This observation is applied to all the levels of management. In the case where the number of working days extends up to 6 days per week including Saturday, managers are released from work to attend their chosen development programmes. Thus, it could not say that managers, themselves, have no motivation to learn and develop. However, it is observed that not all companies have timely involved in promoting self-development activities sponsored by the companies.

Overall, during the interviews with both HR managers and managers, the researcher observed that managers have had experience in receiving different types of formal development activities. However, in some companies HR managers hold a leading role in designing and planing different development activities for managers. However, in some other companies HR managers do not involve in providing development activities within the job. However, in such companies the heads of departments or senior managers have been involved in designing and planning such activities. In both cases, managers have had opportunities to undergo these development activities. However, in the latter case, all managers might not have felt and experienced the same. However, the researcher feels that the development activities initiated without HR managers' involvement are "hidden"-not seen as one of the main routes to develop some managers. Therefore, such development activities are restricted to the departments concerned. On the other hand, HR managers in such companies are busy in designing and planning development activities external to the job, which are not highly ranked by the managers as their frequent development experiences. The researcher feels that HR managers of those

companies regard that development opportunities have to be based on formal programmes leading to qualifications as education in Sri Lanka has traditionally been more instructor-oriented and less learner-oriented. If those HR managers had exposed to other development approaches, formal MD programmes would have been comprised of a mix of development activities. Further, the development activities that are initiated by the heads of departments are less likely to be deliberately planned or contrived for the purpose of shaping the developmental aspects of managers. Hence, it could assume that these are incomplete as MD methods and moreover incomplete in the areas of most crucial concern to managerial learning.

Hypothesis test 4

To determine variation in the provision of formal development activities across ownership types the study hypothesised:

Hypothesis 4: There will be significant differences across ownership types regarding the frequency of designing and planning different formal development activities for managers. It is expected that 100% foreign owned companies will be more likely to be involved in designing and planning different formal development activities for managers than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.14.

Table 9.14: ANOVA of designing and planning formal development activities

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Job redesign methods	2.28	3.12	3.10	7.032	0.002
Development activities within job	3.13	3.73	3.85	4.646	0.013
Development activities external to job	3.56	3.54	3.55	0.003	0.997
Self-development methods	2.09	2.96	3.25	10.179	0.000

Based on the results of ANOVA, there are no significant differences across companies of different ownership in the frequency of designing and planning development activities external to the job. However, there are significant differences across companies in the frequency of designing and planning other three types of formal development activities. Therefore, the Least Significant Differences (LSD) table is drawn to compare each group with every other group and computed the significance of the difference. The results are shown in table 8, appendix 5. When local companies are compared with the other two ownership types, it can be seen that in all the three formal development methods, except in "development activities external to job", differences between local companies are

significant compared to foreign and collaborated companies. Further, the mean values shown in table 9.14, also, confirm this finding. On the other hand, there are no significant differences between foreign and collaborated companies in designing and planning any of the formal development activities. Hence, hypothesis is partially accepted.

Findings related to the nature of informal development opportunities available for managers within the industry are presented in the following section in the light of the formal development activities available.

Informal development opportunities

It is often said that managers learn to manage by managing - through experience. Experience is considered by some management writers and practitioners to be indeed the best teacher (Doyle and Young, 2000). Thus, informal development opportunities usually occur during the course of managers' everyday work. To investigate managers' views on informal development incidences, a set of questions on a Likert type five-point scale was asked. Their responses are shown in table 9.15.

Table 9.15: Manager's perceptions of informal development opportunities they have had experienced (in percentages)

Item	5- Very satisfied	4	3	2	1- Very unsatisfied	Mean	STD
Learn from doing the job	42.2	41.3	13.8	2.3	0.5	4.22	0.80
Learn from handling problems on the job	38.2	49.3	9.7	2.3	0.5	4.23	0.75
Learn from company meetings	17.2	37.2	30.2	8.8	6.5	3.49	1.08
Learn from business visits	25.4	23.0	26.8	11.7	13.1	3.36	2.43
Learn from social occasions related to work	13.6	29.0	35.0	12.1	10.3	3.23	1.15
Learn from the feedback given by superiors	22.2	41.2	19.9	12.0	4.6	3.64	1.09
Learn from observing colleagues/superiors	20.7	46.5	22.6	6.9	3.2	3.75	0.97

4= Satisfied, 3= Moderate, 2=Unsatisfied
Source: Survey data, 2001

The data reveal that managers are mostly satisfied with opportunities they have had to learn from "handling problems on the job" ($x=4.23$) and to learn from "doing the job" ($x=4.22$). The opportunities managers have had to learn from social occasions related to work is ranked last ($x=3.23$). Overall, they are satisfied with all these experiences as mean values for all situations exceed 3. Hence, it suggests that managers consider informal development opportunities as one of the important forms of development.

The interview data collected in relation to informal development opportunities available for managers are presented below.

Interview data

Most of the managers, the researcher interviewed, stated that experience is the best teacher. Everyday managers face different business situations, where they are requested to solve various problems. According to one manager from a local company employed in the merchandising section:

"In my job, most important thing is experience - experience in handling exports. Knowledge in export procedures is important, but experience is the most important. Even targets are achieved on time (by people in the production section), it is my responsibility to make shipments on time. There won't be any mistakes. If something goes wrong, I am the person to be get blamed".

According to such managers they learned most important lessons in their lives, when they are struggling between task accomplishment and chaos. Some managers are clearly able with hindsight to recognise the development value of those informal incidences to them.

Some managers had seen business visits or official engagements with people in the clothing manufacturing industry as valuable exposure. However, such incidences are common within the industry as daily organisational life makes such opportunities more frequent than anyone could expect.

However, some managers are speculative about solely rely on day-to-day experiences for development. According to one manager:

"I have learnt lot from experience. It is the best teacher. But we have to acquire more knowledge. Experience is not enough to become the best".

Managers have also revealed during the interviews that they exchange experience with colleagues. According to one production manager:

"I learned lot during last few years, through experience. If anyone need them, I can pass easily, if not that person has to experience it from the beginning- sometimes by trial and error".

Sharing experience within a company is common. However, though senior managers are able to pass their experience to juniors, they don't have many opportunities to learn from others' experience. Hence, according to senior managers, it is better to have a professional chamber or a club, where seniors can exchange their experience - across companies.

During the interviews with managers the researcher discovered that some managers are as a habit in a process of reflecting on their previous experience to use this in future work situations. However, they find that there are limits in applying past experience in future work situations, because it is unlikely to occur similar incidences again. But managers wish to experience similar incidences, which they had handled badly, so that they can try out different solutions. As Megginson (1994) states, such managers are conscious about

the value of experience, and were waiting to leap on them to squeeze the learning out of them. According to Kolb et al (1974, as cited in Armstrong, 1995), this involves actively thinking about the significance of experience and generalising from them in order to apply when similar situations are encountered. However, all managers may not be capable of handling such incidences alone, they may need some help on their way. As Marsick and Watkins (1997) state that they may need help and feedback to reflect and plan for future incidences. Therefore, to investigate how far HR managers involve in helping managers to learn from informal incidences, an open-ended question was asked from HR managers. However, all most all HR managers have not written anything on the space provided. Hence, during the interviews with HR managers, researcher inquired, again, how far they involve in assisting managers to get the best out of informal incidences. The most of the HR managers revealed that though they accept the fact that managers learn lot from experience, their involvement in facilitating managers to take the best use of informal incidences are rare. Unlike Japan (Kagano 1996), these companies have not given much emphasis on formalising experience gained from daily organisational work. According to one HR manager from a local company:

"We think managers definitely learn from experience and observing the boss. I don't think we have something to do with it".

Human resource managers' responses to self-administrated questionnaires and interview questions led the researcher to assume that HR managers do not involve in facilitating informal development processes. The researcher feels that if companies had attached much value to such accidental processes, companies could have gained most out of them as they are more practical with an immediate positive effect on managers. Therefore, companies should help managers to learn from such incidences and should develop an environment conducive to such learning.

Overall, though it is observed that managers identify informal incidences as major opportunities for development, HR managers do not involve in assisting such learning.

The findings relating to two important aspects of designing and planning development activities are presented bellow. Those are preparation of development plans and budgets.

Preparation of development plans and development budgets

The preparation of development plans and development budgets are important aspects in designing and planning development activities. Therefore, in the study an attempt was made to investigate how frequently companies prepare development plans and development budgets.

a) Preparation of development plans

To investigate how frequently companies prepare MD plans, a question on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 9.16

Table 9.16: Preparation of development plans

Item	C %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Prepare development plans	C	21	24	19	12	2	78	3.59	1.12
	%	26.9	30.8	24.4	15.4	2.6	100		

C= Count, %= Percentage

Source: Survey data, 2001

The data suggest that 57.7 per cent of the companies more frequently engage in preparing development plans while only 2.6 per cent never engage in this activity. Therefore, it is apparent that companies consider this as an important part of the designing and planning process.

During the interviews with HR managers the researcher discovered that, for each financial year, they have to obtain the approval of the top management for development plans before implementation. Hence, the majority of companies have annual development plans. This finding is not consistent with the observations made by Smith and Hayton (1999). However, the maximum duration of planning is one year. Therefore, as Handy (1987) observed, there is no preference to the long-term perspective in developing managerial staff in the Sri Lankan sample.

It is further revealed that HR managers discuss the outcomes of development needs analysis with the heads of departments prior to prepare plans. According to table 10, appendix 5, 61 per cent of the HR managers more frequently discuss the results of development needs analysis with other affected parties within a company, such as head of the department and head of the finance department. Most frequently the heads of departments have to prioritise the needs of managers base on criteria such as ability to release them for programmes or the relevance of programmes (this aspect is also presented in section 9.2).

The standard procedure for the design and delivery of development programmes of a local company is shown in exhibit 5, appendix 6. Further, a specimen of a development plan from a local company is shown in exhibit 6, appendix 6. As already mentioned, the researcher observed that all most all companies maintain their written documents in English language, irrespective of the ownership type of the company.

b) Preparation of development budgets

To investigate how frequently HR managers involve in the preparation of development budgets, a question on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 9.17

Table 9.17: Preparation of development budgets

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Prepare development budgets	C	21	21	22	11	3	78	3.59	1.144
	%	26.9	26.9	28.2	14.1	3.8	100		

C= Count, %= Percentage

Source: Survey data, 2001

The data suggest that 53 per cent of the companies more frequently prepare development budgets, while only 3.8 per cent never engage in this activity. Hence, it is apparent that companies consider this as an important part of the designing and planning process.

During the interviews with HR managers the researcher discovered that all companies run their HRD units as cost centres. Thus, HR managers have to prepare development budgets annually, and get the approval of the Managing Director or the Board. In the company annual development budget, HR personnel include items related to MD, too. In the majority of cases, HR managers do not distinguish between MD and other employee development cost. However, there are exceptional cases, where HR managers make the cost distinguished between MD and other employee development.

During the interviews with HR managers the researcher discovered that some companies face budgetary restrictions in employee development. In such cases, HR managers have to request the heads of departments to prioritise their development needs. Sometimes, HR managers have to allocate certain amount of quota on the number of managers who can undergo certain development programmes due to financial constraints. Such situations arise when many managers from the same department requested a particular type of development programme. In such situations, prioritisation is done by the heads of departments based on the amount of quota available to them, and inform the final result to HR managers. Further, a few HR managers mentioned that the total budget available for the development programmes depends on overall performance of the company. Hence, it is possible to vary the total financial resources available for the development effort from one year to another. However, the researcher have not come across instances where companies have predetermined amount as a development budget, for instance, a certain percentage of the turnover, etc. Hence, this observation is not consistent with the

observations made by researchers such as Storey et al (1997) and Holmes and Cross (1987). However, as one HR manager explained, "cash may not be the best measure".

Overall, Sri Lankan clothing manufacturing companies are more likely to prepare development plans and development budgets, though priority given to these can vary across companies.

The summary of findings in relation to designing and planning MD activities is presented below.

In summary, it is revealed that the majority of companies (51%) in the sample have frequently involved in designing and planning MD activities. However, the results of the ANOVA reveal that there are significant differences across the companies in terms of the ownership type in the frequency of designing and planning MD activities. Further analysis revealed that both foreign and collaborated companies are more likely to involve in designing and planning development activities for managers than their counterparts in the local companies.

When considering the different types of formal development interventions, it is revealed that companies are more likely to provide development activities "external to the job" ($x=3.55$) followed by "development activities within the job" ($x=3.51$). However, when managers' responses for receiving different types of formal development interventions are considered, the most frequently experienced form is "adding more responsibilities to learn" ($x=3.46$, 58.3%) followed by "attendance at seminars and conferences" ($x=3.09$, 42.6%).

It is, further, revealed that some HR managers hold a leading role in designing and planning development activities "within the job for managers". However, some other HR managers do not perform such a role, but the heads of departments or senior line managers perform a leading role in designing and planning such activities. In both cases, managers have opportunities to get exposure to different development activities. However, in the latter case, all managers may not have felt and experienced the same.

The data revealed that managers are satisfied with the opportunities they have had to learn from "handling problems on the job" ($x=4.23$) and to learn from "doing the job" ($x=4.22$). Managers have identified informal day-to-day incidences as major opportunities for development. However, it is revealed that HR managers do not involve in assisting such learning.

When the preparation of development plans and preparation of development budgets are considered, it is revealed that 58 per cent and 53 per cent of the companies in the sample frequently involve in these activities, respectively.

9.5 Administration of management development activities

Selection of appropriate development interventions does not ensure the success of the development effort. Success depends on various aspects, such as effective delivery, pre and post administration, etc (Wills, 1998b). One of the objectives of the study highlighted earlier is to investigate whether MD activities are administered in the Sri Lankan clothing manufacturing industry.

This was explored by asking HR managers to respond to a question on a Likert type five-point scale. Their responses are shown in table 9.18.

Table 9.18: Administration of MD activities

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Administering MD activities	C	20	18	20	12	8	78	3.38	1.30
	%	25.6	23.1	25.6	15.4	10.3	100		

C= Count, %= Percentage
Source: Survey data, 2001

The data reveal that almost 49 per cent of the companies administer MD activities, frequently. However, 26 per cent of the companies do not engage in the administration process. Hence, the data suggest that a considerable number of companies have not paid much attention to get the benefits of administration in the provision of MD activities.

Hypothesis test 5

To determine variation in the administration of MD activities across ownership types the study hypothesised:

Hypothesis 5: There will be significant differences across ownership types regarding the frequency of administration of MD activities. It is expected that 100% foreign owned companies will be more likely to be involve in administering MD activities than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.19.

Table 9.19: ANOVA of administration of MD activities

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Administer MD activities	2.88	3.50	4.05	5.814	0.004

The analysis of variance reveals that there are significant differences across companies in terms of ownership type in the frequency of administering MD activities. Therefore, the Least Significant Differences (LSD) table is drawn to compare each group with every other group and computed the significance of the difference. The results are shown in table 11, appendix 5. When local companies are compared with other two ownership types, differences between local companies are significant compared to collaborated (sig.=0.001) companies. However, it is interesting to find out that there are no significant differences between foreign companies compared to local companies (sig.=0.058) and collaborated companies (sig.=0.136). However, as the significance of the difference between foreign and local companies are very close to the pre-set significance level of 0.05, one can assume that there might be slight differences between foreign and local companies, too. Overall, it is apparent that collaborated companies are more likely to be involved in administering MD activities than their counterparts in the local companies. Therefore, hypothesis is partially accepted.

In the following sections findings relating to the pre and post administration of MD activities are presented.

Pre and post administration of management development activities

Pre-administration of development activities ensures that identified individuals get the right development intervention at the right time. The individuals who participate in the development activities should be communicated in advance. They have to be provided with information regarding company expectations in providing development programmes. Further, participant managers have to be facilitated to prepare themselves for the programmes. Not only do the identified managers have to prepare but also human resource managers have to prepare by contacting trainers, etc (Wills 1998b). The most important aspects that have to be considered in post-administration include, getting the confirmation of completion of the programme and the amendment of development records (Wills 1998b). Therefore, in the study an attempt was made to investigate whether companies administer MD activities before commencement and after completion.

To investigate pre-administration of MD activities, two questions on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 12, appendix 5. According to the table, 53 per cent of the HR managers contact managers before the commencement of development activities while only 3.9 per cent never contact managers. This suggests that the majority of HR managers contact managers before the commencement of development activities.

During the interviews with HR managers, too, the researcher discovered that the majority of them contact managers before the commencement of development activities. According one HR manager from a foreign company:

"Before starting the programme, we provide them an introductory session. We clarify the objectives in writing, by means of a memo, and the expected level of improvement they want to achieve after following the programme. Then only we start the programme. So the idea is to make them aware of those from the beginning. Otherwise they will take the programme lightly".

Such introductory sessions are vital to discuss the reasons for their participation on the development programme, the logistics of the intervention, and how they are going to use the programme experience within the actual work environment. Further, such introductory sessions provide information on what their superiors expect them to learn or do differently as a result of the development programme.

During the interviews with HR managers the researcher discovered that one of the major problems companies face is retaining managers who had completed the development programmes. According one HR manager from a local company, they think that bond is a good remedy in this situation. They have managed to retain managers at least for a while by requesting them to enter into a bond to pay the cost of the programme or to serve particular years to the company after the completion of the programme, when programme cost is high. However, some other companies are more speculative about implementing such a policy. According to one HR manager from a collaborated company:

"After a programme, we don't have a bond as such to keep them in our company. Their marketability will be very high after completing the programme. But their development cost is high too. To retain them in the company is a challenge. Bond is a good idea and some other companies have introduced it. But that decision has to be taken by the company; the company should make sure they work willingly, and not because of the bond. Up to now we sponsor 100%".

Not only managers to be developed have to be contacted but providers of development programmes also have to be contacted. The responses received from HR managers on their involvement in contacting providers before the commencement of programmes are shown in table 12, appendix 5. According to the table, 43 per cent of the HR managers contact providers before the commencement of development activities while only 7.8 per cent never contact them. During the interviews with HR managers the researcher discovered that the majority of HR managers involved in contacting not only the internal providers and external visiting staff of in-house development programmes but also they contact trainers, who conduct publicly run programmes.

To investigate the post-administration of MD activities, i.e., obtaining the confirmation of completion of programmes and the amendment of development records - two questions

on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 13, appendix 5. According to the table, 62 per cent of the HR managers involve in obtaining the confirmation of completion of development activities; 62.4 per cent of the HR managers involve in the amendment of development records. Hence, the data suggest that the majority of HR managers involve in the above two post-administration activities.

Exhibit 3 and 4, shown in appendix 6, provide two specimens of development records from two local companies. These records reveal the extent to which companies are concerned in maintaining up-to-date development records.

Overall, Sri Lankan clothing manufacturing companies are more likely to pre and post administer MD programmes.

The summary of findings in relation to the administration of MD activities is presented below.

In summary, the data revealed that almost 49 per cent of the companies administer MD activities. The results of the analysis of variance revealed that there are significant differences across companies in terms of the ownership type in the frequency of administering MD activities. Further analysis revealed that differences between local companies are significant compared to collaborated companies (sig.=0.001).

When pre and post administration of development activities are considered, the data revealed that 53 per cent of the HR managers contact managers before the commencement of development activities; 43 per cent of the HR managers contact providers before the commencement of development activities. And also 62 per cent of the HR managers involve in obtaining the confirmation of completion of development activities; 62.4 per cent of the HR managers involve in the amendment of development records.

9.6. Validation and/or evaluation of MD activities

According to literature, the final phase of the systematic process is the validation and evaluation of development activities. Validation of development interventions ensures that development programmes meet and continue to meet their stated objectives (Wills 1998b; Martin 1968). The second aspect, evaluation, ensures that it has had the desired effect - practical usefulness of MD (Wills, 1998b). Therefore, the validation and evaluation of development activities brings MD into a full cycle. One of the objectives of the study highlighted earlier is to investigate whether MD activities are validated and/or evaluated in the Sri Lankan clothing manufacturing industry.

This was explored by asking HR managers to respond to a question on a Likert type five-point scale. Their responses to the question are shown in table 9.20

Table 9.20: Validation and evaluation of MD activities

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Validate MD activities	C	7	23	33	11	4	78	3.23	0.98
	%	9.0	29.5	42.3	14.1	5.1	100		
Evaluate MD activities	C	2	21	27	17	10	77	2.84	1.05
	%	2.6	27.3	35.1	22.1	13.0	100		

C= Count, %= Percentage or valid percentage values for 78 respondents

Source: Survey data, 2001

The data suggest that 38.5 per cent of the companies are likely to frequently validate MD activities and 30 per cent of the companies are likely to frequently evaluate them. Hence, the data suggests that a considerable number of companies validate and evaluate MD programmes.

Different aspects of the validation and evaluation of MD activities are presented in the following sections. Those data are collected from questionnaires, interviews and secondary data.

Validation of management development activities

a) Questionnaire data on validation

Management development activities can be validated from three perspectives: validation against perceptions and comments, validation against development activities and validation against actual usage of skills at workplace (Wills 1998b). Therefore, in the study an attempt is made to investigate these three perspectives by asking HR managers and managers several questions on a Likert type five-point scale. Their responses are presented in the following paragraphs.

Human resource managers' responses to the frequency of validation of MD activities in terms of perceptions and comments are shown in table 14, appendix 5. According to the table, 65.4 per cent of the companies more frequently involve in obtaining feedback from managers themselves. The second popular source of obtaining feedback is managers' superiors (55. 1%). Data suggest that obtaining feedback from trainers is not very popular. In fact, 32.5 per cent of the companies use this source.

Managers' comments on development activities they have experienced are shown in table 15, appendix 5. According to the table, 58 per cent of the managers seems to have satisfied with the development activities they have had undergone as they are relevant to their jobs. Further, 63.5 per cent of the managers seems to have satisfied with the

development activities provided because they are relevant to their career development. Furthermore, more than 76 per cent of the managers seems to have satisfied with their confidence to use the skills at workplace. However, only 36.4 per cent of the managers seems to have satisfied with the duration of development activities and 34.8 per cent of the managers seems to have satisfied with the time they have received to practice the skills during the development activities. According to Reay (1994, as cited in Armstrong, 1995) some of the main factors of learning are relevance, learning by doing, and freedom to make mistakes in safety. However, the responses revealed that managers are less satisfied with the duration of the development activities and supervised practice they have received to practice the skills during the development activities.

Further, HR managers' responses reveal that 53.8 per cent of the companies frequently revise MD activities to incorporate required changes. The areas of the changes to be made are identified from the feedback obtained after the completion of development activities and the annual performance appraisal information. It is also revealed that 25.7 per cent of the companies frequently cancel development activities if those fail to achieve required improvements in managers (please see table 16, appendix 5).

With regard to the frequency of validation of development activities in terms of actual usage of skills at work, 47.5 per cent of the companies frequently validate them against the actual usage of skills (please see table 17, appendix 5). Weliwita (1991) also observed that the Sri Lankan private sector organisations validate the actual usage of skills.

However, for the open-ended question on how HR managers involve in validating informal development opportunities has failed to obtain responses. It indirectly suggested that HR managers do not involve in validating informal MD incidences, irrespective of the ownership type of the company.

b) Interview data on validation

During the interviews with HR managers the researcher discovered that the majority of HR managers obtain feedback using end-of-course feedback sheets, which comprise a questionnaire and a comments section. These feedback sheets are designed to obtain information on to what extent the participants are satisfied with the programme, whether they think the programme meet its' objectives and what they think of trainers. The "comments section" provides them an opportunity to give their own comments. According to one HR manager from a collaborated company:

"We have a standard questionnaire for that. We ask people who have already completed the programmes to give their feedback to find out how they perform. This is done just after every programme. In about 3 months

time, we obtain feedback from their superiors. All the superior officers are asked to give their feedback using a separate questionnaire. We design our questionnaires in such a way to give us an idea on to what extent they have gained from the development programmes. We try to understand whether these superior officers are happy with managers' performance after participating in the programme".

Wills (1998b) stated that despite weakness of halo effect, participants' feedback is essential as their perception is one of the main factors that determine a programme's credibility and reputation. Researchers, such as Smith and Hayton (1999), Thomson (1998, as cited in Mole 2000) and Manning and Poljeva (1999) note that the most common method of validation is obtaining feedback. A copy of the end-of-course feedback sheet used by one of the local companies to obtain information on external development programmes is shown in exhibit 7, appendix 6.

During the interviews with managers the researcher discovered that programmes they have received are relevant to their jobs and use the acquired skills to fulfil daily business engagements. When it is about technical aspects, most of the things learned can be applied. According to one manager from a local company:

"I was sent to (external) courses. I can apply most of the things I have learnt in my work. Some things can't be used as much, but good to improve our knowledge".

Further, during the interviews the researcher discovered that managers are interested to learn anything they are provided with. However, there are few managers, who have been provided with development programmes that are not relevant to their present job or even to the organisation. According to one manager from a foreign company:

"I haven't got any opportunity to use the things I learnt. The courses I was sent are not relevant to my present job. So I can't use them. Now I am following a merchandising course. But our company doesn't have a merchandising unit; no plans to open one either. But they send me for this. Company sponsored it".

Having said that companies should provide development opportunities and encourage MD, such opportunities have to be aligned with business needs. On the other hand, any development in an individual is ultimately good for organisations and, therefore, should be encouraged. In reality, resources are limited and priorities have to be decided. In situations like above, companies fail to get advantage from what managers learn during the programmes. On the other hand, managers might feel frustration as they are not using the skills they have obtained, but they are in a position to find a job in another company, which demand the skills they have newly acquired. However, negligible number of managers came up with such responses.

During the interviews with HR managers the researcher discovered that HR managers' involvement in validating against the actual usage of skills at work is limited or not indirect. The direct involvement and observations are made by the immediate superiors of managers. From their feedback on managers' development, HR managers have opportunities to obtain required information. However, most of the HR managers feel that it is good if they can obtain such information first hand. Avery et al (1999) also observed this difficulty in their study.

It is revealed that some companies encourage managers who have completed the development programmes to share what they have learnt during the programmes with other colleagues of the department. According to one HR manager from a foreign company:

"... two reasons for sending them for courses are –(1st) they can discuss with management on how to improve things-in terms of efficiency, environment, health and safety. 2nd, to learn new things- new knowledge. When they come back from a course, they have to discuss those with others- share knowledge".

According one manager from a local company:

"After the course, I have to submit a report. (And) I have to share that knowledge with others. The environment is changing so quickly. So I have to update their knowledge (too)".

The researcher finds this method of sharing is beneficial as it flows in the knowledge gained by the individual to the work organisation. If other members of the organisation are also aware of the benefits of grasping such knowledge, the organisation as well as the individuals can benefit from such knowledge flows.

Some other managers interviewed revealed that companies obtain comments of managers by requesting them to submit a report after the completion of development programmes. It is revealed that in the report managers are expected to write what they have learnt during the programme, how those can be applied within the company, etc. Manning and Poljeva (1999) note that getting necessary insight is not always easy from employees and employees are not used to express their feelings toward authority figures. Therefore, they state that one of the options available may be requesting participants to list the major items they had learned and how they plan to use those ideas in their work environment as opposed to asking if the programme have had any use (Manning and Poljeva 1999).

Overall, it is observed that clothing manufacturing companies engage in validating MD activities, and the methods they use are common within the industry.

Data collected in relation to the evaluation of MD activities are presented bellow.

Evaluation of management development activities

a) Questionnaire data on evaluation

It may be difficult, if not impossible, to evaluate MD activities with any degree of accuracy. But if an attempt is not made, the function is operating in a vacuum (Tavernier 1971). For MD procedures to be developed properly, it is essential that a company establishes whether or not needs are correctly identified, planned programmes are adequate to meet those needs, results commensurate with cost, etc.

Writers state that an intuitive and popular way of evaluating development programmes is to start at the individual level and then proceed to the other two levels - departmental and organisational (Wills 1998; Bramley 1994). To investigate whether companies evaluate MD activities at those levels, a question on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 18, appendix 5. According to the table the majority of companies (60.3%) stated that they are satisfied with improvements at the individual level and 47.4 per cent stated that they are satisfied with improvements in managers' departments after the completion of development activities, while 31.6 per cent stated that they are satisfied with improvements in the companies after the completion of development activities.

The purpose of conducting MD activities is to transfer the acquired skills and knowledge to the job and to maintain the acquired level of performance overtime on the job (Mathis and Jackson 1991, Wills 1998b). When the responsibility of the transfer of learning is considered, it has to be a combined effort of participant, immediate superior and HR managers (Wills 1998b). However, the participant should take prime responsibility, the immediate superior should have the secondary responsibility, and trainers and HR managers should be the third in line (Wills, 1998b; Warren 1979; Martin 1968). Managers should be able to identify their own problems, problems of their work, and opportunities to transfer the skills during their work (Bratton and Gold 1999). To investigate whether managers use the skills acquired from the development activities at the workplace, a question on a Likert type five-point scale was asked from managers. Their responses are shown in table 19, appendix 5. According to the table, 44.7 per cent of the managers stated that they are satisfied with their use of skills at work and 49.5 per cent of the managers stated that they are satisfied with the ease of transfer of skills.

To investigate whether managers' immediate superiors support them in the transfer process, a question on a Likert type five-point scale was asked from managers. Their responses are shown in table 19, appendix 5. According to the table, 51.5 per cent of the managers stated that they are satisfied with the help they have received from their immediate superiors.

To investigate whether HR managers facilitate managers in the learning transfer process, a question on a Likert type five-point scale was asked from both managers and HR managers. Managers' responses are shown in table 19, appendix 5. According to the table, only 35 per cent of the managers are satisfied with the help they have received from HR managers. When HR managers' responses are considered (please see table 20, appendix 5), 30.8 per cent of the HR managers are likely to help managers in the transfer process.

Overall, responses shown in table 19, appendix 5, reveal that immediate superiors have to be involved more in reviewing employee performance on a continuous basis. Further they have to be involved more in facilitating positive transfer of learning from development activities to workplace behaviour and performance. Furthermore, responses shown in table 20, appendix 5, reveal that HR managers have to be involved more in facilitating transfer of learning.

b) Interview data on evaluation

During the interviews with HR managers the researcher discovered that they make effort to find out impact of MD on organisations. Hence, interviews led to unveil different aspects of the evaluation of MD.

A few HR managers mentioned that they give tests for managers after the completion of development activities. Such tests of knowledge are given to lower and middle level managers. Managers also confirmed HR managers' views. According to one HR manager from a foreign company:

"We give them tests. It is a test of knowledge. From that, we are trying to analyse his/her knowledge and how to achieve success in future development programmes. (And) three months after completing a programme we interview them and also give questionnaires to fill-in to get their feedback".

Tests and interviews held after the completion of development activities provide valuable information. Such as, whether managers still have the knowledge (or attitudes/skills) they gained from development activities, whether they are still able to perform the skills, whether managers still believe the activities they have participated are worthwhile.

Not all tests measure whether behavioural objectives of development activities have been met; some are best tested through observations (Wills 1998). It is revealed that department heads or managers' immediate superiors observe whether managers apply skills during the work. However, not all MD interventions call for straightforward transfer of knowledge. Given the long-term nature of development, it is arguable that many interventions will be more complex and require considerably more thought and ingenuity. But the logic will be exactly the same. There will be some criterion or criteria and some

predictor of whether intervention is most likely to meet that criterion (Mole 2000; Avery et al 1999). Therefore, immediate superiors could be the best people to observe, during both short and long-term, how managers improve applying newly acquired skills.

It is revealed that companies attempt to evaluate MD at the departmental and organisational level using several criteria, such as quality indices, staff turnover, production rates, etc. However, it is further observed that companies are more likely to evaluate the performance of managers employed in the production function, after the completion of development programmes, using such organisational/departmental criteria. According to one HR manager from a local company:

"We always want to have an idea about the cost-benefit. In monetary terms- we are not that advanced. But we do it in some quantifiable terms. For example, if we provide a development programme to a manager, who is handling 2-3 sewing lines; we teach behavioural aspects to him, we can set initial objectives. We know employee turnover, efficiency level, etc, before commencing the programme. After the programme, after a reasonable period-3 months- we compare former values with the new ones, to identify remarkable differences. This level of practice of evaluation is prevailing in the company".

It is common for companies to use this type of evaluation for managers employed in the production function, where specific and measurable criteria and data available. However, in the case of other functions, evaluation at this level may be lacking due to difficulties in establishing measurable objectives. However, considering that the main and the most important function in the clothing manufacturing industry is the production function compared to other functions, one can assume that improvements in this function, at the results level, is the most valuable to an organisation.

Overall, it is observed that the clothing manufacturing industry uses Kirkpatrick's model (Tavernier 1971) to evaluate MD. Companies evaluate MD at the reaction level by feedback sheets, at the learning level by giving tests, at the behaviour level by observing how they apply the skills, and at the results level by comparing managers' present and past performance criteria, such as quality indices, labour turnover, etc. Weerakkody (2000) also observed that the Sri Lankan private sector uses Kirkpatrick's model to evaluate employee development. This observation is contrast to the observations made by many researchers that most evaluation of MD still occurs principally at the level of reaction (Todesco, 1997; Bramley 1994; ILO 1986; Hall 1976; Khatri 2000; Avery et al 1999; Grzeda and Assogbavi 1999). However, it is very rare to find a company that evaluates MD programmes at all the four levels.

However, during the interviews the researcher observed that there are few companies that do not involve in the validation and evaluation of MD activities. The majority of HR managers in those companies revealed that they expect to progress from the needs

identification to evaluation, but they are still in the middle of their way. According to one HR manager from a local company:

"After providing a development programme, we use a review document. But we are lacking in this area. We started all this (systematic development) about a year ago. We haven't developed evaluation system yet. Our next step is to develop it. We do development needs analysis, mapped-out requirements of each job category. (So) we know where the deficiencies are. Still post-evaluation is weak. We plan to follow up based on development needs analysis. We want to link it to performance appraisals.

On the whole, the researcher observed an awareness and practice of MD validation and evaluation within the clothing manufacturing industry.

Hypothesis test 6

To determine variation in the validation and/or evaluation of MD activities across ownership types the study hypothesised:

Hypothesis 6: There will be significant differences across ownership types regarding the frequency of validation and/or evaluation of MD activities. It is expected that 100% foreign owned companies will be more likely to be involved in the validation and/or evaluation of MD activities than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 9.21.

Table 9.21: ANOVA of validation and evaluation of MD activities

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Validation of development activities	3.22	3.00	3.55	1.83	0.168
Evaluation of development activities	2.77	2.76	3.05	0.51	0.602

The results of the analysis reveal that there are no significant differences across the companies in terms of ownership type in the frequency of validating and evaluating MD activities. Hence, it is apparent that all companies, irrespective of their ownership type likely to involve in the validation and evaluation of MD activities. Therefore, hypothesis is rejected.

Reasons that prevent learning transfer

Milkovich and Boudreau (1997) state "learning is effective only if in class results translate into job behaviours. Transfer is enhanced when the environment of the development programme closely resembles the work situation; perhaps, the most important element of learning transfer has little to do with the development programme itself. Transfer climate is the degree to which work situation provides opportunities and rewards for using what is

learnt". Therefore, to investigate the reasons, which might prevail in companies that prevent learning transfer, a set of questions on a Likert type five-point scale was asked from HR managers. Their responses are shown in table 9.22.

Table 9.22: Reasons that prevent learning transfer (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Poor needs identification	10.3	16.7	25.6	37.2	10.3	100	2.79	1.15
Non-supportive work environment	6.4	21.8	51.3	15.4	5.1	100	3.09	0.91
Little control over development transfer process	3.9	34.2	34.2	27.6	--	100	3.14	0.87
Skills are not learnt during the activity	1.3	26.0	37.7	29.9	5.2	100	2.88	0.90
Difference between work environment and learning environment	1.3	29.9	45.5	18.2	5.2	100	3.04	0.87
Lack of motivation of managers	5.3	22.4	32.9	35.5	3.9	100	2.89	0.97
Inferior development programmes	5.2	15.6	37.7	26.0	15.6	100	2.68	1.08

Source: Survey data, 2001

The data suggest that the most frequently identified reason that prevents learning transfer is lack of control over transfer process ($x = 3.14$). It seems that transition from learning environment to work place is not managed properly. It is already observed that immediate superior is the main source of information on the usage of skills at work. Therefore, they have to coach managers through early stages of the learning transfer. The reason that ranked 2nd is work environment is not supportive in the use of new skills learnt by the manager ($x = 3.09$). According to Wills (1998) and Olian et al (1998) many knowledge based and behavioural improvements need to have a critical mass of people using them before they can take root in an organisation. When the majority of people in a division have not exposed to development activities to improve their level of skills, the result would be non-supportive work environment. The reason that ranked 3rd is difference between work environment and development programme environment ($x = 3.04$). This reason is also connected to the first two reasons. The reason that ranked last is inferior development programmes ($x = 2.68$).

The summary of findings in relation to the validation and evaluation of MD activities can be presented as follows. One of the objectives of the study is to investigate whether companies validate and/or evaluate MD activities. Analysis of data revealed that 38.5 per cent of the companies are likely to validate MD activities and 30 per cent of the companies are likely to evaluate them, frequently. Further, results of the analysis of

variance revealed that there are no significant differences across companies in terms of ownership type in the frequency of the validation and evaluation of MD activities.

Management development programmes are validated from three perspectives: validation against perceptions and comments, validation against development activities and validation against actual usage of skills at the workplace. It is further revealed that methods they use for validation are common within the industry.

With regard to the evaluation of MD activities, it is revealed that companies are mostly satisfied with the results of the individual level evaluation (60.3%). However, 31.6 per cent of the companies are also satisfied with the improvements in the companies after the completion of development activities. When a similar question was asked from managers, about 45 per cent of the managers stated that they are satisfied with their use of the skills at work; 50 per cent of the managers stated that they are satisfied with the ease of transfer of skills. However, responses revealed that immediate superiors and HR managers have to be involved more in facilitating positive transfer of learning from development activities to workplace behaviour and performance. On the whole, it is observed that the industry uses Kirkpatrick's model to evaluate MD.

The data also revealed that the most frequently identified reason that prevents learning transfer is lack of control over transfer process ($x = 3.14$), followed by non-supportive work environment ($x = 3.09$). The least frequently identified reason is inferior development programmes ($x = 2.68$).

9.7. Summary

This chapter was devoted to analyse data related to MD in the Sri Lankan clothing manufacturing industry. Management development effort within the industry was looked into in relation to systematic approach, which is used as a blueprint or as a best practice to help to structure the research. As chapter 11 presents conclusions of the findings, here only the summary of the findings is presented.

The data revealed evidence of the existence of identification of development needs in the clothing manufacturing industry in Sri Lanka. Corporate strategies, performance appraisal, requests from senior managers and requests from managers themselves give rise to MD needs. However, most of the companies do not identify development needs using succession plans. The analysis of variance revealed that there are significant differences across companies of different ownership in the frequency of identifying MD needs.

The data revealed evidence of the existence of setting MD objectives frequently; only 5 per cent of the companies never set objectives. Further, it is found that setting objectives

based on individual criteria is the most favoured. The data also revealed that MD objectives are most frequently used by HR managers to choose MD activities. The analysis of variance revealed that there are no significant differences across companies of different ownership in the frequency of setting MD objectives.

The data revealed that the majority of companies in the sample frequently involve in designing and planning MD activities. It is revealed that companies are more likely to provide development activities external to the job followed by development activities within job. Further, managers identified informal incidences as one of the major opportunities for development. The results of the ANOVA revealed that there are significant differences across companies of different ownership in the frequency of designing and planning MD activities.

The data revealed that 49 per cent of the companies in the sample frequently involve in administering MD activities. The results of the ANOVA revealed that there are significant differences across companies of different ownership in the frequency of administering MD activities.

It is revealed that 38.5 per cent of the companies are likely to validate MD activities and 30 per cent of the companies are likely to evaluate them, frequently. It is, further, observed that validation is common within the industry. With regard to the evaluation of MD activities, the HR managers stated that they are mostly satisfied with the results of the individual level evaluation. The results of the ANOVA revealed that there are no significant differences across companies of different ownership in the frequency of validating and evaluating MD activities.

In the light of the findings of each phase of the systematic process in relation to MD, the researcher feels that an attempt can be made to investigate how far clothing manufacturing companies accept systematic approach in MD. For that purpose, table 9.23 is drawn using the data already discussed in the each phase of the systematic approach.

Table 9.23: Summary of the mean values relating to MD

Item	Mean
Management development needs identification	3.56
Setting MD objectives	3.28
Designing and planning MD activities	3.47
Administration of MD activities	3.38
Validation of MD activities	3.23

The data shown in the table suggest that companies consider MD as a process.

In order to identify any differences in the usage of the systematic approach in MD in terms of ownership of the companies, table 9.24 is drawn. The data shown in the table are based on the results of the ANOVA, which are already presented in the each phase of the systematic approach to MD.

Table 9.24: Summary of ANOVA results relating to MD

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Management development needs identification	3.31	3.54	4.00	3.46	0.037*
Setting MD objectives	3.31	3.15	3.40	0.424	0.656
Designing and planning of MD activities	2.91	3.73	4.25	9.772	0.000*
Administration of MD activities	2.88	3.50	4.05	5.814	0.004*
Validation of MD activities	3.22	3.00	3.55	1.83	0.168

*. The mean difference is significant at the 0.05 level

The data shown in the table suggest that there are no significant differences across companies in the frequency of setting MD objectives and validation of MD activities. Hence, all companies irrespective of their ownership type – local, foreign, collaborated, frequently set MD objectives and frequently validate MD. However, there are significant differences in the other three phases in terms of the ownership type of the companies. However, all companies irrespective of their ownership type scored mean values more than 2.89 for each phase of the development process. Therefore, though there are significant differences in the frequency of HR managers' involvement in three of the phases, the mean value close to 3 imply that companies consider MD as a process. Hence, based on the table 9.22 and 9.23, it can be assumed that all companies, irrespective of their ownership type, accept systematic approach in MD.

Chapter 10

Analysis and Discussion of Data: Importance of the HR Function in the Organisational Strategy Process and Top Management Support for MD in the Sri Lankan Clothing Manufacturing Industry

10.1. Introduction

This chapter is devoted to analyse data related to the importance of the HR function in the organisational strategy process and top management support for MD in the Sri Lankan clothing manufacturing industry. Specifically, it is concerned with determining the variation across the companies of different ownership. The key research questions that help to determine the variation have been presented in chapter 7. Those research questions and their related hypotheses are reproduced as follows.

6. Do companies have a strategic perspective? If yes, to what extent do companies differ in importance given to the HR function in the organisational strategy process?

Hypothesis 7: There will be significant differences across ownership types regarding the nature of importance given to the HR function in the organisational strategy process. It is expected that 100% foreign owned companies will be more likely to give high importance to the HR function in the organisational strategy process than the other two types of ownership.

7. To what extent do companies differ in HR managers' contribution to the organisational strategy process?

Hypothesis 8: There will be significant differences across ownership types regarding the frequency of HR managers' contribution to the organisational strategy process. It is expected that HR managers in 100% foreign owned companies will be more likely to contribute to the strategy process than the other two types of ownership.

8. To what extent do companies differ in the existence of HRD units?

Hypothesis 9: There will be significant differences across ownership types regarding the existence of HRD units. It is expected that 100% foreign owned companies will be more likely to have HRD units than the other two types of ownership.

9. To what extent do companies differ in top management support for the MD function within an organisation?

Hypothesis 10: There will be significant differences across ownership types regarding top management support for the MD function within organisations. It is expected that top management in 100% foreign owned companies will be more likely to support the MD function than the other two types of ownership.

In analysing and discussing data related to the above four research questions and their related hypotheses, the researcher subdivides the presentation of this chapter into two sections. In the first section (10.2), data on importance of the HR function in the organisational strategy process are presented and discussed in relation to research questions 6, 7, and 8 and their related hypotheses. In the second section (10.3) data on top management support for MD are presented and discussed in relation to the research question 9 and its related hypothesis.

In the discussion, data collected from HR managers and managers of the clothing manufacturing companies through questionnaires and interviews are used along with secondary data. (Please see appendix 2 and appendix 3 for questionnaires for HR managers and managers, respectively; please see appendix 4 for interview guides; please see appendix 6 for related exhibits of secondary data).

10.2. Importance of the HR function in the organisational strategy process

As explained in chapter 3 in reviewing literature, researchers emphasise that HR practices can help to create a source of sustained competitive advantage, when they are aligned with firms' competitive strategies. Further, one of the advantages of bringing HR into strategy process include expanding a range of solutions to organisational problems by giving a prominent place to the HR function in determining organisational capabilities.

In the study the importance of the HR function in the organisational strategy process is looked into in terms of 3 aspects. That is, a) the existence of a strategic perspective and importance given to the HR function in the organisational strategy process, b) contribution made by HR managers to the organisational strategy process, and c) the existence of HRD units/departments. The data that are collected in relation to these three aspects are presented and discussed in the following sections, namely, 10.2.1, 10.2.2, and 10.2.3, respectively.

10.2.1. The existence of a strategic perspective and the importance given to the HR function in the organisation strategy process

As mentioned in chapter 3, in the HRD process, organisational strategy plays a vital part. Therefore, organisations have to adopt a wider perspective and accept HRD as an important part of the organisation. If the HR function is given its due place in the organisational strategy process, HRD does not have to operate in the organisation in isolation. Therefore, the organisational strategy should drive the development process; the development effort has to have relevance to both business requirements and to the development needs of the employees. However, not all organisations are so effective in developing a strategy and a HR function that could develop policy to move an organisation in an appropriate direction. On the other hand, there are number of

organisations where the future of business is based on learning and development of its employees with the HR function playing a key role in facilitation (Bratton and Gold 1999). One of the objectives of the study highlighted earlier is to investigate the importance given to the HR function in the organisational strategy process in the Sri Lankan clothing manufacturing industry.

In the first part of the research question, by asking whether companies have a strategic perspective, an attempt is made to identify whether companies have an organisational strategy, HR strategy and HR policies, including HRD and MD; the existence of HRD units; the role of HR professional in the strategy process. If companies have a strategic perspective, the second part of the research question is raised to identify, what is the importance given to the HR function in the strategy process. The two parts of the research question are presented in the following sections

Existence of a strategic perspective

The 1st part of the research question, i.e., "Do companies have a strategic perspective?" was probed by asking HR managers to respond to a set of categorical questions. Their responses are shown in table 10.1.

Table 10.1: Existence of a strategic perspective

Existence	Organisational strategy		HR strategy		HR policies		HRD policies	
	C	%	C	%	C	%	C	%
Written	37	47.4	35	44.9	35	44.9	20	25.6
Unwritten	22	28.2	19	24.4	23	29.5	27	34.6
Currently developing	13	16.7	16	20.5	15	19.2	13	16.7
Do not have	5	6.4	8	10.3	5	6.4	18	23.1
Don't know	1	1.3	--	--	--	--	--	--
Total responses	78	100.0	78	100.0	78	100.0	78	100.0

C= count, %= percentage

Source: Survey data

According to the table, 75.6 per cent of the companies have organisational strategies, 69.3 per cent of the companies have HR strategies, 74.4 per cent of the companies have HR policies and 60.2 per cent of the companies have HRD policies, which can be communicated to employees at all the levels and guide them in the achievement of desired organisational and HR outcomes. Hence, data suggest that companies have a strategic perspective. A reason that has promoted and will continue to promote strategic perspective would be the needs of internationalisation to fulfil interests of global partners. However, the table also reveals that a considerable number of companies do not maintain those as written organisational documents.

Further, HR managers' responses also revealed that 79.5 per cent of the companies have HR policies on promoting managers, and 51.9 per cent of the companies have HR policies on providing development activities before promotions. However, only 39 per cent of the companies have HR policies on moving managers cross-functionally and 29.7 per cent of the companies have HR policies on conducting a certain number of formal development programmes for managers each year (please see table 21, appendix 5).

These findings are not consistent with earlier studies conducted in the Sri Lankan context by Nanayakkara (1992), Wijesiriwardana (1994), Sivanesan (2000) and Wijetunge (1992). However, it has to be noted that any of these studies were not conducted in the clothing manufacturing industry. However, as Mumford et al (1987) and Hsu and Leat (2000) had also observed, a considerable number of companies affirmed that they have unwritten strategies and policies. These observations imply a considerable degree of scope and opportunity for HR managers to develop a strategic dimension to their role. They have to emphasise the importance of formulating written HR policies and practices in the context of their companies' overall organisational objectives and business plans.

Secondary data collected in relation to the strategic perspective can be presented as follows.

Secondary data: existence of a strategic perspective

During the visits to companies, the researcher had opportunities to view and to obtain internal company documents relating to the organisational strategy and HR policies relating to HRD. Secondary data exhibited in this section are obtained from two local companies and two collaborated companies.

When the place given to HRD in the overall organisational strategy is considered, the majority of companies have emphasised sales or production values as the main concern in their company strategies. However, few companies do emphasise the value of HR and the need of HRD. Exhibit 10.1, shows an extract of an organisational strategy document from a collaborated company, which emphasises the needs of HRD at the organisational strategy level.

Exhibit 10.1: Place given to HRD in the organisational strategy

...Be an employer of choice by nurturing our people through development programmes to realise their fullest potential. We seek to inculcate an environment of openness and innovation as an integral part of the company culture, recognising and rewarding performance...

Source: Internal document from collaborated company "A"

Such documents reveal that some companies consider the value of HR and HRD; HRD is given its due place in the organisational strategy.

Hendry (1995) states that the HR strategy should be operated at a number of levels - goals, policies, plans and programmes. According to Armstrong (1996), the HR strategy defines the interactions of the organisation concerning the direction it wants to go in developing and implementing HR and HRD policies and practices. The human resource strategy defines the intentions of an organisation on what needs to be done and what needs to be changed in all aspects of HR and HRD in order to facilitate the attainment of corporate goals. Some companies had specific HR strategy documents, which reveal their state of activities. Exhibit 10.2, shows an extract of a HR strategy document from a local company.

Exhibit 10.2: Purpose of the HR function

Our main objective is to ensure that effective and efficient utilisation of HR in order to accomplish goals and objectives of the organisation. We believe that our success will be determined by our valuable employees. So that we treat them as the most valuable asset...

Source: Internal document from local company "A"

Such HR strategy documents express the underlying purpose of the HR function by stating the overall objective and the direction in which it intends to progress down defining more immediate targets.

Human resource policies provide guidelines for implementing strategies and for carrying out HR practices in which employee development is one of the key HR policy areas. Development policies express company's commitment to continuous development of skills and abilities of employees in order to maximise their contribution and to give them opportunities to enhance their skills, realise their potential and advance their careers (Armstrong 1996). Further, it is essential that any policy regarding HRD be in harmony with company's HR policies on recruitment, pay, promotion, and be integrated with company's overall objectives (Tavernier 1971; Hall 1984). During the questionnaire data analyses, it is found that 79.5 per cent of the companies have HR policies on promoting managers and 51.9 per cent of the companies have HR policies on providing development opportunities before being given promotions. However, it is not very popular among companies to have policies on moving managers cross-functionally (39%) and to conduct a certain number of development programmes for managers each year (29.7).

During the interviews, it is revealed that companies have commitment to promote internal candidates for job openings at lower and middle managerial levels. According to all most all HR managers interviewed, lower managerial posts, such as supervisory posts, are filled with suitable employees from operational levels. And lower level managers have a

high potential to be promoted to middle levels too. In these cases, this policy is espoused and also widely implemented. As mentioned earlier, companies have the required performance data to make this policy truly operative. Further, the researcher believes that this policy leads to more committed and loyal employees as a result of long organisational socialisation and the development of a rich network of social relationships in organisations. However, only few companies stated that this policy is truly operative for senior level managers and the majority of companies state their preference to recruit senior managers externally. This aspect has already been discussed in chapter 9, section 9.2.

Policies on providing development opportunities before being given promotions is also practised within the industry. As discussed in chapter 9, section 9.2, this policy is practised only if vacancy is identified at least few months prior to the actual vacancy will occur and if available timeframe is sufficient to give the suitable candidate the required skills. However, the majority of companies have not seen this policy as a pre-requisite and definite condition for promotions; therefore, it is not truly implemented throughout organisations.

However, few companies stated that they have HR policies to move managers cross-functionally. As discussed in chapter 9, section 9.4, this policy is widely practised at lower level managerial categories in the production function. In these companies, departmental policies on when, where and the duration of such moves are available as unwritten policies.

Further, HR policies that specify to conduct a particular number of development programmes for managers each year - for example, in terms of hours, amount of investment - are not widely found in the clothing manufacturing industry. The companies with such policies stated that those are widely implemented in the production function. According to Wills (1998b), the existence of such policies could vary according to the industry, and the clothing industry is to be found at the lower-end.

Researchers found that the production of a well-established and precise HRD policy document is valuable as it provides rules and procedures governing the standard of scope of development programmes and provides opportunities to pay attention to issues that could arise. Human resource development policies, further, represents the top management's commitment to the development of its employees and at least state what the organisation believes in (Mumford 1997; Mamoria 1998). Exhibit 10.3, shows extracts of HR policy documents on HRD from a local company and a collaborated company.

Human resource policy relating to employee development

It is the policy of this company to ensure, so far as is reasonably practicable to provide climate and resources that will enable all employees to advance on merit as far as their talents and skills will take them... .

Source: Internal document from local company "B"

Company policy on staff development

Our company is committed to the development of all employees. We believe our employees require needs based development to achieve the best possible integration, between expected performance and actual performance by developing employees' knowledge, skills and attitudes to achieve mutual objectives of the company and the employees. ...This process will lead us to develop potential employees in the most desirable direction of his/her career path, aiming at providing opportunities for advancement while ensuring that current and future needs of the organisation are also fulfilled.

Source: Internal document from collaborated company "B"

Such HR policies relating to development express the underlying importance given to HRD in the overall HR policies. However, as Mumford et al (1987), Mabey and Thomson (2000) and Hsu and Leat (2000), the researcher has also been unable to find any formal written policy document, which, especially, specify MD policy. Formal written statements about directions and content of MD is unusual even in those organisations, which have organised approaches to MD. The elements of the MD policy and processes seemed not to exist in a single coherent document. However, the majority of companies claimed to have unwritten MD policies. If companies had written MD policies, they would have taken a high degree of responsibility for the management of MD activities and given it a high priority.

Overall, questionnaires, interviews and secondary data reveal that the majority of companies do have a strategic perspective. However, a considerable number of companies affirmed that they have unwritten strategies and policies.

In the following section, the importance given to the HR function in the strategy process is looked into based on the data collected using both questionnaire and secondary sources in the light of the existence of a strategic perspective.

Importance given to the HR function in the organisational strategy process

In the 2nd part of the research question, i.e., "to what extent do companies differ in importance given to the HR function in the organisational strategy process?" is probed by investigating the nature of importance given to the HR function in the organisational strategy.

The nature of importance given to the HR function in the organisational strategy process was probed by asking HR managers to respond to a question on a Likert type five-point scale. Their responses are shown in table 10.2.

Table 10.2: Importance given to the HR function in the organisational strategy process (HR managers' perception)

Item	C, %	Very high	High	Moderate	Low	Very low	Total	Mean	STD
Importance given to HR function	C	7	21	30	14	6	78	3.12	1.05
	%	9.0	26.9	38.5	17.9	7.7	100		

C= Count, %= Percentage

Source: Survey data, 2001

The data suggest that only 35.9 per cent of the companies have given high level of importance to the HR function in the company strategy process while 25.6 per cent of the companies have given low level of importance. The mean value of 3.12 does not show very high level of importance, but is to be expected when the status of the HR function within the clothing manufacturing industry increases. An aspect that has promoted and will continue to promote a close link between business strategy and HR provision would be the needs of internationalisation and fulfilment of the interests of global partners.

In the following section, secondary data collected in relation to importance given to the HR function in the strategy process are presented.

Secondary data: Importance given to the HR function in the organisational strategy process

When investigating the nature of importance given to the HR function in the organisational strategy process, few companies emphasised the need of recognising the HR function in the organisational strategy process with other functions. Such companies have given prominent place in their strategy documents to emphasise the importance of the HR function. Exhibit 10.4, shows an extract of an organisational strategy document from a local company.

Exhibit 10.4: Importance given to the HR function in the organisational strategy

... HR department should create strategy, which is based on overall corporate strategy and needs to be consistent with it. Human resource department's strategy should be in line with the company strategy and with other departments' strategy. Human resource department has to play very supportive role when they make decisions with other departments...

Source: Internal document from local company "A"

Such documents reveal that at least few companies are aware of the importance of addressing the HR function in the organisational strategy.

Identification and effective monitoring of the development needs are important determinants of importance given to HRD in the strategy process. It is found that companies do identify development needs. It is also observed that continuous appraisal of performance and the provision of development programmes are seen as the main sources of improving the performance of managers. Earlier studies conducted in the Sri Lankan context by Nanayakkara (1992) revealed that strategic planning is not considered as a pre-requisite to success. However, this contrasts with the general notions held by the clothing manufacturing companies. With the globalisation of business, the needs of improving company standards to compete with other companies within and outside the country has become imperative for the survival of clothing manufacturing companies. When systematic planning has not become foreign to management thinking at the organisational level, it will not be foreign at the departmental level, too. Hence, status of the HR function in an organisation is expected to be improved forming a central plank in raising HR to a more strategic level.

Overall, though the importance given to the HR function in the organisational strategy process is not at very high level, it can be expected that globalisation of business will play a vital role in giving the HR function its due place at the strategy level.

Hypothesis test 7

To determine variation in the importance given to the HR function in the organisational strategy process across ownership types the study hypothesised:

Hypothesis 7: There will be significant differences across ownership types regarding the nature of importance given to the HR function in the organisational strategy process. It is expected that 100% foreign owned companies will be more likely to give high importance to the HR function in the organisational strategy process than the other two types of ownership.

To test this proposition, ANOVA is performed at the significant level of 0.05. The results are shown in table 10.3.

Table 10.3: ANOVA of importance given to the HR function in the organisational strategy process (HR managers' perspective)

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Importance given to HR function	3.16	2.96	3.25	0.455	0.636

The results reveal that there are no significant differences in the importance given to the HR function in the organisational strategy process. Hence, the HR function, irrespective of the ownership type, receives a considerable support from the organisational strategy. Therefore, hypothesis is rejected.

Another important aspect to be considered in relation to the importance of the HR function in the strategy process is the contribution made by HR managers to the strategy process. Therefore, it is looked into in the following section.

10.2.2. Contribution made by HR managers to the organisational strategy process

In the strategy process, HR managers have a vital role to play. They have to be active in the strategy decision-making process. Therefore, an important aspect in relation to the contribution made by HR managers is that their participation on the board in the development of corporate strategy. Human resource managers need to play a proactive role by being members of the senior management team and by participating in the development of business strategy. It is suggested that by being involved at this stage, HR managers would be in a much better position to develop an effective HR strategy and to institute coherent and consistent HR policies, which could directly support the achievement of strategic goals (Hsu and Leat 2000). One of the objectives of the study highlighted earlier is to investigate the contribution made by HR managers to the organisational strategy process in the Sri Lankan clothing manufacturing industry.

This was probed by asking HR managers to respond to a set of questions in a Likert type five-point scale. Their responses are shown in table 10.4.

Table 10.4: Contribution made by HR managers to the organisational strategy process

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Participate in company decision making process	C %	27 34.6	15 19.2	22 28.2	8 10.3	6 7.7	78 100	3.63	1.27
Contribute to company decision making	C %	13 16.7	22 28.2	27 34.6	9 11.5	7 9.0	78 100	3.32	1.16
Acceptance of HR professional's proposals	C %	8 10.3	27 34.6	29 37.2	9 11.5	5 6.4	78 100	3.31	1.02

C= Count, %= Percentage
Source: Survey data, 2001

Data reveal that 53.8 per cent of the HR managers frequently participate in the company decision-making process ($\bar{x}=3.63$), 44 per cent of the HR managers frequently contribute to the company decision-making process. And also 44 per cent of the responses reveal that HR managers' proposals are frequently accepted at the board level. However, by considering overall responses, the researcher feels that HR managers' contribution within organisations has to be further improved.

Interview data relating to contribution made by HR managers to the organisational strategy process are presented bellow.

Interview data

During the interviews, HR managers have described their place and contribution in the company board. It is revealed that most of the HR posts are held by people with specialised qualifications and experience related to HRM. All most all HR managers interviewed felt that it is important to have HR specialists in the board participating in the development of corporate strategy and HR policies.

One of the most important factors in ensuring that MD is done strategically is the participation of HR managers along with top management in the planning process. Most of the HR managers, interviewed, are actually involved in the development of corporate strategy from the outset. Further, they are involved in consultative capacity at the implementation stage of new projects or company extension programmes. In few companies where a strong HRD function is in operation, other than HR managers, HRD managers also played a major role at the corporate level. During the interviews with HR managers, who stated that they play a major role, the researcher discovered that they have not found any difficulty in performing their roles due to the existence of explicit written corporate strategies and HRM policies to refer to. As noted earlier, 47 per cent of the responding companies claimed to have written corporate strategies and 45 per cent of the responding companies claimed to have written HR policies (please see table 10.1).

It is revealed that though few companies have long-term organisational goals, the majority of HR managers stated that companies focus on short-term goals and immediate results. For example, the goal of one of the companies is "to achieve a turnover of US\$ 100 million by the year 2005 whilst making consistent and optimum profits". Such a goal allows too little time to wait for the benefits of HRD, MD in particular. However, HR managers in such companies held a general view that even though HRD have a short-term focus, it can still offer to improve employees' skills, knowledge and abilities to perform his/her present job or to enable them to learn skills, knowledge, and abilities that are more relevant for the jobs in the organisation. However, researchers highlight the consequences of not emphasising long-term development. For example, Purcell (1995 as cited in Bratton and Gold, 1999) points out that if short-term investment criterion dominates, there is a trend to drive out long-term HR investment at the workplace and "destroy" the basis of HRM as a part of the corporate strategy.

Devanna et al (1984) and Mumford (1997) note that the degree of participation of HR managers in the strategy process mainly depend on the extent to which top management is willing to share decisions through the organisation. It is revealed that some of the companies are driven by top-down as opposed to bottom-up decision-making. In such companies, the HR system is playing a central and influential role in HR decision-making, such as selection, appraisal, reward, and development. However, the researcher also

came across some other companies, which are driven by bottom-up decision-making that encourages widespread participation in organisational activities. However, in both of these decision-making systems, HR managers have played a proactive role.

However, there are few HR managers who have represented the company board with a reactive orientation. In such companies, HR managers played a role that is fully subservient to the business strategy, and the business strategy ultimately determining HR policies and practices. In these companies, HR managers' involvement in the strategy process is comparatively limited because once the business strategy is determined, HR policies are implemented to support the chosen business strategy. Hence, in these companies, though specialised HR people are available, they have provided little evidence to their contribution in the strategy process, and their HR tasks are more operational than strategic. In the Sri Lankan context Sivanesan (2000) and in the Indian context Budhwar and Sparrow (1997) also observed similar situations where the HR function derives its direction from corporate plans, instead of really influencing these plans. The researcher feels that when companies have given minimum importance to the role of HR managers to the organisation's overall success at the strategy level, so do the line managers. In turn, HR managers will perform the most routine HR activities. A likely consequence of this would be a minimally effective HR function.

Overall, though some HR managers play a role in the development of corporate strategies, there is a considerable degree of scope for HR managers in the clothing manufacturing industry to develop a strategic dimension to their contribution.

Hypothesis test 8

To determine variation in the contribution made by HR managers to the organisational strategy process across ownership types the study hypothesised:

Hypothesis 8: There will be significant differences across ownership types regarding the frequency of HR managers' contribution to the organisational strategy process. It is expected that HR managers in 100% foreign owned companies will be more likely to contribute to the strategy process than the other two types of ownership.

To test this proposition, ANOVA is performed at the significant level of 0.05. The results are shown in table 10.5.

Table 10.5: ANOVA of HR managers' contribution to the strategy process

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
Participate in company decision making process	3.53	3.65	3.75	0.186	0.830
Contribute to company decision making	3.19	3.42	3.40	0.355	0.702
Acceptance of HR professional's proposals at strategy level	3.16	3.31	3.55	0.909	0.407

The results of ANOVA reveal that there are no differences across companies in the frequency of HR managers' contribution to the strategy process in terms of ownership type of the companies. Though the table 10.4 reveals that HR managers' overall contribution is not at very high level of satisfactory, their contribution does not vary across companies of different ownership. Hence, hypothesis is rejected.

Another important aspect to consider in relation to the importance given to the HR function in the strategy process is the existence of separate HRD units. Therefore, it is looked into in the following section.

10.2.3. Existence of HRD Units/departments

An important aspect in relation to importance of the HR function, HRD in particular, in the organisational strategy process is the existence of HRD units/departments. The available Sri Lankan literature suggests that the introduction of open economic policies has had a significant impact on the realisation of the importance of HRD as a critical factor in the organisational process. Based on Sri Lankan literature, many organisations, especially in the private sector, have realised the need of managing HR effectively in order to achieve competitive advantages. Thus, organisations have taken concrete measures to organise HRD divisions in their firms (Jayaratna 1996; Bandarage 1984). The researches conducted by Arthur et al (1995) and Hsu and Leat (2000) also revealed the importance of having a separate division for HRD in the Australian and in the Taiwan context, respectively. On the other hand, Storey et al (1997) revealed that Japanese companies had given particular weight to the departmental heads and to the individual when it comes to MD, and had given little emphasis to separate and special HRD department. One of the objectives of the study highlighted earlier is to investigate whether Sri Lankan clothing manufacturing companies have HRD units.

This was explored by asking HR managers to respond to a question on a nominal scale. Their responses are shown in table 10.6 (this is a reproduction of the table 8.4, shown in chapter 8).

Table 10.6: Existence of HRD units

HRD unit	Frequency	Percentage
Yes	40	51.3
No	38	48.7
Total	78	100.0

Source: Survey data 2001

According to the table, 51.3 per cent of the companies have HRD units. During the interviews it is revealed that HRD units hold responsibilities of developing both managerial and non-managerial employees, and these units actively involve in providing development programmes based on the needs identified.

Hypothesis test 9

To determine variation in the existence of HRD units across ownership types the study hypothesised:

Hypothesis 9: There will be significant differences across ownership types regarding existence of HRD units. It is expected that 100% foreign owned companies will be more likely to have HRD units than the other two types of ownership.

To test this proposition, chi-square test is performed at the significance level of 0.05. The results are shown in table 10.7.

Table 10.7: Chi-square test of the existence of HRD units

Item	Value	Sig.
Pearson Chi-square	6.463	0.040
No. of valid cases	78	

The results shown in table 10.7 reveal that there are significant differences in the existence of HRD units in terms of ownership types. Based on the table 10.6, 51 per cent of the companies have HRD units. However, the tables 10.6 and 10.7 does not provide any detail regarding the differences that exists in terms of the existence of HRD units across companies of different ownership. Therefore, to shed some light into the results of the hypothesis test, table 10.8 is drawn.

Table 10.8: Cross tabulation data on the existence of HRD units in terms of ownership type (in percentages)

Existence of HRD unit	Ownership type		
	Collaborated	Foreign	Local
Yes	75.0	38.5	46.9
No	25.0	61.5	53.1
Total	100.0	100.0	100.0

Source: Survey data 2001

According to the table, 75 per cent of the collaborated companies have HRD units. However, only 47 per cent of the local companies and 38.5 per cent of the foreign companies have HRD units. Therefore, it is apparent that collaborated companies are more likely to have HRD units than both foreign and local companies. Therefore hypothesis is partially accepted.

10.2.4. Summary

The majority of the companies have a strategic perspective. In fact, 75.6 per cent of the companies have overall organisational strategies, 69.3 per cent of the companies have HR strategies, 74.4 per cent of the companies have HR policies and 60.2 per cent of the companies have HRD policies. These findings are backed by the secondary data obtained from the companies.

Further, data revealed that only 35.9 per cent of the companies have given high level of importance to the HR function in the organisational strategy process. The mean value of 3.12 does not show very high level of importance. However, the results of ANOVA revealed that there are no significant differences in the importance given to the HR function in the organisational strategy process across companies of different ownership. Hence, HR functions are more likely to receive a similar degree of importance from the organisational strategy process, irrespective of their ownership type.

Overall, the presence of corporate (76%) and HR strategies (70%) and the translation of such strategies into a clear set of HRD policies (60%) show the importance given to the HR function. However, the results did not reveal high representation (54%) and contribution (44%) of HR managers at the board level. However, the analysis of variance did not reveal significant differences in HR managers' contribution in terms of ownership type of the companies.

10.3. Top management support for management development

Many researchers emphasise the importance of top management support for MD (Mondy and Noe, 1987; Agnaia 1997; Schuler 1987; Mamoria 1998; Mathis and Jackson 1991; Hall 1984). A powerful motivator is the realisation that top management considers MD as valuable and follows its progress closely (Mamoria 1998). If top management minimises the importance of MD to the organisation, so do the line managers (Schuler 1987). One of the objectives of the study highlighted earlier is to investigate whether top management in the Sri Lankan clothing manufacturing industry supports the MD function.

Top management support is investigated in terms of "resources committed for the MD function" and "other means of top management support for MD". These are probed by

using the data collected from HR managers and managers through questionnaires and interviews.

However, the researcher feels that it is important to provide a brief description, based on information gathered by the researcher during her visits to clothing manufacturing companies, on 'who' these top management are. After that brief description, in section 10.3.1, responses obtained on resources committed for MD are presented. In section 10.3.2, responses obtained on other means of top management support for MD are presented.

Top management of the Sri Lankan clothing manufacturing industry

The researcher feels that before presenting findings on top management support for MD, it is high time to provide a brief description on top management of the clothing manufacturing companies. During the preliminary investigations, the researcher discovered that all most all the top management positions of the local companies are held by the locals. Further, in the collaborated companies, the involvement of foreign investment partners is at the very highest level of the companies, i.e., at the Board level sharing director posts with the locals. Human resource managers from both local and collaborated companies also revealed that they had or have foreigners at consultative capacity to help to organise business activities smoothly. In contrast to the situation of local and collaborated companies, the majority of HR managers of foreign companies revealed that most of the top management positions of their companies are held by foreigners, who have come with foreign investors. Further, more often important senior management posts, like general manager and production manager, have been held by foreigners. However, according to all most all HR managers interviewed from foreign companies stated that HR posts, including senior HR manager, are held by the locals.

During the interviews with HR managers and managers, the researcher discovered that the majority of top management posts are held by professional people. However, some others revealed that there are top managers, who have come to these positions through experience. They are good in their specialised fields, but they are "just rankers" in the managerial sense as they have never been a manager in the real sense - managerial skills are lacking to be good managers. Therefore, these respondents prefer to have top managers, who act as more professional managers; want to see the people who hold authority above them to be more academically qualified. According to writers this is a problem that prevail in the whole industry (Gunawardena, 1999). This situation might be due to the fact that the industry itself is comparatively young and had grown on its own mainly due to the quota availability. Hence, sudden expansion of the clothing manufacturing industry has made the persons joined at lower levels to be gradually promoted to top levels without undergoing properly designed and relevant formal

development programmes. However, at present, in-house and external MD facilities available for top managers are rare, or not existence (Gunawardena, 1999).

10.3.1. Resources committed for management development

Resources committed for MD was investigated in terms of several aspects. Those aspects are time allocation, budgetary allocation, the provision of library facilities, and support for self-directed learning. These was probed by asking HR managers and managers to respond to a set of questions on a Likert type five-point scale. Their responses are shown in table 10.9.

Table 10.9: Human resource managers' and managers' responses regarding resources committed for MD

Item	5 Very satisfied	4	3	3	1 Very unsatisfied	Total	Mean	STD
<i>HR managers' perception</i>								
Time available	1.3	14.1	33.3	34.6	16.7	100	2.49	0.98
Budgetary allocations	3.8	29.5	42.3	17.9	6.4	100	3.06	0.94
Library facilities	2.6	11.5	12.8	25.6	47.4	100	1.96	1.14
Support for self-directed learning	9.0	43.6	30.8	11.5	5.1	100	3.39	0.98
<i>Managers' perception</i>								
Time available	9.1	26.9	34.7	18.7	10.5	100.0	3.05	1.12
Budgetary allocations	11.0	21.9	34.7	21.0	11.4	100.0	3.00	1.15
Library facilities	5.9	8.7	16.4	31.5	37.4	100.0	2.14	1.18
Support for self-directed learning	11.4	26.0	36.5	14.6	11.4	100.0	3.11	1.14

4= satisfied; 3= moderate; 2= Unsatisfied

C= Count, %= Percentage

Source: Survey data, 2001

According to the table, both HR managers and managers are satisfied with top management's support for self-directed learning. In fact, it is ranked 1st in terms of mean values (HR personnel $x=3.39$, managers $x=3.11$). Further, both respondents' responses rank resources committed for library facilities last. The differences in managers' responses to time availability ($x=3.05$) and budgetary allocations ($x=3.00$) are negligible, which is ranked 2nd and 3rd, respectively. However, HR managers' responses rank budgetary allocation 2nd (3.06). Further, table 22 in appendix 5, shows HR managers' responses for priority given to MD in company budgets. It reveals that 39 per cent of the companies are likely to give priority for MD in their company budgets ($x=3.27$). Overall, according to table 10.9, HR managers and managers held a similar views on resources committed for MD.

10.3.2. Other means of top management support for management development

Wills (1998b) states that several unwritten and unspoken channels could be used by top management to influence MD within an organisation. Some of such channels are the frequency of development activities are postponed or cancelled, the frequency of managers are pulled out from development activities, and the frequency of managers are promoted without providing adequate development opportunities. Therefore, in the study, top management's support for MD is investigated in terms of seven aspects, namely:

- whether managers have been provided with development opportunities, and managers' satisfaction regarding development opportunities received (*in managers' perspective*),
- whether managers have received encouragement from top management to undergo development opportunities (*in managers' perspective*),
- whether development opportunities have been postponed or cancelled because of other company engagements (*in HR managers' perspective*),
- whether managers have been pulled out or prevented from undergoing development opportunities (*in managers' and HR managers' perspective*),
- whether managers have been promoted without providing adequate development opportunities (*in managers' and HR managers' perspective*),
- whether managers have been rewarded for their dedication to develop themselves (*in managers' perspective*),
- whether HR managers have been rewarded for their dedication to develop managers (*in HR managers' perspective*),

To investigate how far top management support MD through above channels, a set of questions on a Likert type five-point scale was asked from HR managers and managers. Their responses are presented in the following paragraphs.

With regard to the *frequency of managers have been provided with development opportunities*, managers' responses are shown in table 23, appendix 5. The table reveals that out of the 219 respondent managers, 93.2 per cent have received development opportunities since they have joined the company in which they are employed at the time of the survey. When managers were asked how many times they have been provided with development opportunities, it is revealed that the majority of managers have received development opportunities less than 4 times since they have joined the company (58%). Twenty one per cent of the managers have received development opportunities 5 to 7 times (please see table 24, appendix 5). According to table 25, in appendix 5, 40 per cent of the managers have completed any form of formal development activity within last 12 months while another 26 per cent have been participating in any form of formal development activity at the time of the survey.

With regard to managers' responses to how far they are satisfied with development opportunities, 52.2 per cent of the managers revealed that they are satisfied with the development opportunities they have had received since they have joined the company ($x=3.44$) (please see table 26, appendix 5).

With regard to the *frequency of encouragement managers have received from top management to undergo development opportunities*, managers' responses are shown in table 27, appendix 5. The table reveals that 47 per cent of the managers have frequently received encouragement from top management to participate in development activities ($x=3.30$). The researcher feels that managers are more likely to evaluate their development experiences positively if their top managers operate a 'strong' encouragement for development.

With regard to the *frequency of development opportunities have been postponed or cancelled because of other company engagements*, HR managers' responses are shown in table 28, appendix 5. The table reveals that 45 per cent of the companies are unlikely to frequently postpone or cancel MD activities because of other company engagements ($x=3.40$). Only 1.3 per cent of the HR managers revealed that companies always postpone or cancel MD activities because of other company engagements.

With regard to the *frequency of managers have been pulled out or prevented from undergoing development activities because of other company engagements*, HR managers' and managers' responses are shown in table 29, appendix 5. According to HR managers, 42.3 percent of the companies are unlikely to pulled out managers from development activities because of other company engagements ($x= 3.26$). According to managers, 42.6 percent of the companies are unlikely to prevent them from undergoing development opportunities because of other company engagements ($x= 2.72$).

With regard to the *frequency of managers have been promoted without providing adequate development opportunities*, HR managers' and managers' responses are shown in table 30, appendix 5. According to HR managers, 47 per cent of the companies are unlikely to promote managers without providing adequate development opportunities ($x=3.39$). On the other hand, 33 per cent of the managers have revealed that it is unlikely for companies to promote managers without providing adequate development opportunities ($x=2.89$).

With regard to the *frequency of managers have been rewarded for their dedication for development*, managers' responses are shown in table 31, appendix 5. The table reveals that 36 per cent of the managers have frequently received either monetary or non-monetary rewards for their dedication to develop themselves ($x=2.95$).

With regard to the *frequency of HR managers have been rewarded for their dedication to develop managers*, HR managers' responses are shown in table 32, appendix 5. The table reveals that 27 per cent of the companies are likely to frequently reward HR managers for their dedication to develop managers ($x=2.81$).

Interview data relating to top management support are presented below.

Interview data

During the interviews with HR managers, the researcher discovered that companies sponsor MD activities that are identified through the development needs identification. Further it is revealed that some companies sponsor, fully or partly, development programmes requested by managers themselves. The interview data on budgetary allocation are already discussed in chapter 9, section 9.4 on designing and planning development activities and in section 9.1 on the identification of development needs.

With regard to the provision of library facilities, all most all HR managers and managers stated that such facilities are very rare. In chapter 9, section 9.4 on designing and planning development activities, it is also found that the provision of library facilities by the companies is not popular. In fact, it is ranked 13th, out of 14 formal development methods. However, it is noteworthy that few managers mentioned that their senior managers provide them with material to read if content is relevant to the interests of the companies.

With regard to support for self-directed learning, all most all managers, interviewed, revealed that companies encourage them to participate in development activities. In the majority of situations companies expect managers to take their own enthusiasm and interest in their own development.

With regard to time availability, HR managers have revealed that it is not a major difficulty to find time to release managers to attend development activities organised by external institutes as only few managers from a section attend those, at one time. Therefore, companies make every effort to release the required managers. However, HR managers find difficulties in finding time to suit all the participants when organising internal development programmes to fulfil development needs of several managers throughout the company. As some companies operate 24 hours a day, 6 days a week - in shifts-managers in the production function have to work more than 10 hours a day. According to one HR manager from a foreign company:

"the Sri Lankan garment industry as a whole, I think work under tremendous pressure. Most of the companies practice reactive management. Our sole target is to send shipments on time. What we always want is more time. For in-house development programmes, we just don't find time. We in fact work all most every day, even on Saturday and Sunday. This is a big problem for

us, even for worker management. We know these people need development opportunities. I am very much in favour of development programmes. We can't find time. Managers are busy".

Managers interviewed also agreed with HR managers' view. According to one production manager from a local company employed in the production function:

"I work from the morning and sometimes till mid night. We work 24 hours in shifts. But I am the only production manager. So my free time is my lunchtime only".

However, though some companies operate 6 days per week, managers work only 5 days per week. Human resource managers of such companies stated that if development activities are organised in weekends, it is not difficult to get managers attended. On the other hand, HR managers also stated that it is not practical to have development activities arranged on all most all weekends.

However, by considering the pressure and competitiveness within the industry to make shipments on time, the majority of lower level and middle managers are satisfied with the time available for their development. According to one manager employed in the lower level managerial category:

"I went to follow courses on my own expense. Our company works on Sundays as well. They give me leave to attend courses but only on Sundays".

Some HR managers revealed that they arrange internal development activities only during off-seasons, i.e. after most of the summer and winter orders are manufactured. According to one HR manager from a local company:

"We have no problem in releasing people for development programmes. We prepare development and production schedules for a long period- 6 months. So, it is not a difficulty for us".

However, handful of companies mentioned that they do not provide MD activities due to two reasons, either one or both. First of these reasons is that companies recruit only qualified personnel for their managerial posts; companies expect them to know everything in their field. According to one CEO of a local company:

"If you are a good manager you have to know all the areas of the trade. Otherwise it is very difficult. At the moment, we do not have any development programme. We recruit qualified managers and just continue working".

The researcher feels that these companies are working towards achieving short-term organisational goals and do not, at least, concern about the long-term survival of the companies. Managers of these companies also held a frustrated view. According to one manager:

"In my point of view, all the places where I worked tried to get maximum use of what I know. They never provided me with formal development opportunities. They always interested to know what I know, and wanted me to pass that knowledge to the bellow layers. In my case, experience helped me lot in getting better jobs".

The second reason is that companies find difficulties in releasing managers for development activities because companies do not have enough people to be assigned for the roles of the released managers. Some managers are concerned of this situation and they are not satisfied with the time available for their development (these aspects are already discussed in chapter 9, section 9.2). However, these companies are not opposed to the idea of providing development opportunities to managers; companies know the benefits of the development effort. According to one HR manager from a foreign company:

"We should improve their skills after recruitment, but the fact is we do not have any substitutes. We are not in a position to release them for development programmes, even for an hour".

Hence, the researcher feels that the number of managers employed in a company might have an effect on how many managers a company (or department) can release for development programmes.

In both of these circumstances, top management's encouragement only provides lip service for MD. Wijetunge (1992) also observed difficulties face by managers in getting release from normal organisational duties to attend MD programmes. Further, Wijetunge (1992) observed that the number of participants who attend development programmes are often less than that who have been called for those programmes.

These reflect that some companies treat MD as a peripheral and low-level non-strategic activity. Companies have not yet as a matter of routine been inculcated with the Japanese practice of regarding MD as one of their priority agenda items. In contrast, these companies more readily point out the needs of meeting financial and production targets as the essence of managerial jobs. On the other hand, the researcher feels that managers in these companies routinely declare themselves "too busy" to under go development programmes. This could make their departmental line managers to resist attempts to take any of their subordinate managers away from normal duties. On the other hand, if development opportunities are at last provided, managers could feel that development opportunities have come too late.

The interview data on top management support for MD by giving promotions after completing programmes have been already discussed in chapter 9, in section 9.2 on the identification of development needs based on succession planning, and in section 10.2.1 on the existence of a strategic perspective. On the whole, top managers support the idea

of giving promotions to lower and middle level managers; held a view that everybody has equal promotional possibilities.

With regard to rewards, some managers mentioned that they have been given salary increments after the completion of development activities. Some others mentioned that they have been promoted to higher posts. However, few managers mentioned that the only reward they received is the appreciation of improvements in them and in departments after completing development activities. However, whether rewards are provided or not, managers felt that they had opportunities to get exposed to new developments in their related fields. The researcher feels that the high competition and more academic type education these managers went through in their general education have effected on their high motivation for further development, irrespective of the fact that whether they have been rewarded or not or they applied the skills at work or not. By considering the demand for better skills/knowledge and the job mobility of managers within the industry, managers are so positive that someday they will be able to find a much better position in the managerial hierarchy, if they are not satisfied with the present one.

Overall, HR managers and managers revealed different aspects of top management support for MD activities. Both HR managers and managers revealed that library facilities provided by the companies are not sufficient. The time committed for MD, rewarding managers for their dedication to develop themselves, cancelling/postponing or pulling out managers from development activities due to other company engagements, etc could vary from one company to another, based on company specific circumstances.

Hypothesis test 10

To determine variation in top management support for the MD function across ownership types the study hypothesised:

Hypothesis 10: There will be significant differences across ownership types regarding top management support for the MD function within organisations. It is expected that top management in 100% foreign owned companies will be more likely to support the MD function than the other two types of ownership.

To test this proposition, ANOVA is performed at the significance level of 0.05. The results are shown in table 10.10 and 10.11 bellow.

The results of analysis of variance, shown in table 10.10, provide information on satisfaction regarding resources committed for MD. According to the table, both HR managers' and managers' responses do not reveal any significant differences in their satisfaction in terms of the ownership type of the companies. However, ANOVA results for both respondents' satisfaction with regard to allocation of library facilities are in the

edge of the significance level set in the study (HR managers' responses sig.= 0.05, managers' responses sig.= 0.058). When the Least Significant Differences table is drawn to compare each group with every other group, it can be seen that differences in the satisfaction for the allocation of library facilities between local companies are significant compared to collaborated companies (please see table 33, in appendix 5). These differences can be seen in both responses of HR managers' (sig.=0.015) and managers' (sig.= 0.040). But, based on ANOVA results of both HR managers' and managers' responses, there are no significant differences in the satisfaction for resources committed for MD between foreign companies compared to local and collaborated companies.

Table 10.10: ANOVA of resources committed for the MD function

Item	Mean			F	Sig.
	Local	Foreign	Collaborated		
HR managers' perception					
Time available	2.44	2.42	2.65	0.369	0.693
Budgetary allocations	3.03	3.00	3.20	0.281	0.756
Library facilities	1.66	1.96	2.45	3.122	0.050
Support for self-directed learning	3.38	3.30	3.55	0.350	0.706
Priority in budgets	3.19	3.15	3.55	1.268	0.287
Managers' perception					
Time available	3.09	3.02	3.02	0.135	0.874
Budgetary allocations	2.89	3.08	3.12	0.851	0.428
Library facilities	1.94	2.29	2.36	2.890	0.058
Support for self-directed learning	3.09	3.09	3.20	0.181	0.835

ANOVA results shown in table 10.11 provide information regarding "other means of top management support for MD". According to the table, there are no significant differences across companies of different ownership in the:

- frequency of managers have been provided with development opportunities, and managers' satisfaction regarding development opportunities received,
- frequency of encouragement managers have received from top management to undergo development opportunities
- frequency of development opportunities have been postponed or cancelled because of other company engagements
- frequency of managers have been promoted without providing adequate development opportunities,
- frequency of managers have been rewarded for their dedication to develop themselves, and
- frequency of HR managers have been rewarded for their dedication to develop managers

Table 10.11: ANOVA of other means of top management support for MD

Item No.	Item	Mean			F	Sig.
		Local	Foreign	Collaborated		
1	Number of times development activities are provided (MANAGER)	2.50	2.46	2.62	0.363	0.696
	Satisfaction regarding development opportunities received (MANAGER)	3.49	3.28	3.54	0.959	0.385
2	Encourage development (MANAGER)	3.25	3.22	3.52	1.092	0.337
3	Cancel development activities (HRM)	3.56	3.19	3.40	1.256	0.291
4	Managers pulled out from development activities (HRM)	3.47	2.77	3.55	4.636	0.013
	Prevented from undertaking development opportunities (MANAGER)	3.18	3.43	3.28	0.817	0.443
5	Promoted without adequate development (HRM)	3.38	3.24	3.60	0.758	0.472
	Developed before promotion (MANAGER)	2.92	2.65	3.12	2.62	0.075
6	managers are rewarded (MANAGER)	3.00	2.89	2.92	0.182	0.834
7	HR personnel are rewarded (HRM)	2.78	3.08	2.50	1.480	0.234

MANAGER= based on managers' responses

HRM= based on HR managers' responses

According to table 10.11, ANOVA results of managers' responses on the frequency of managers have been prevented from undergoing development activities because of other company engagements does not reveal any significant differences across companies of different ownership (sig.= 0.443). However, ANOVA results of HR managers' responses for the same item (the frequency of managers have been pulled out from undergoing development activities because of other company engagements) reveal significant differences in terms of the ownership type (sig.= 0.013). When the Least Significant Differences table is drawn based on HR managers' responses to compare each group with every other group, there are significant differences between foreign companies compared to local companies (sig.=0.010) and collaborated companies (sig.=0.011) (please see table 34, in appendix 5). In this regard, during the interviews managers, HR managers and CEOs explained the difficulties in releasing managers for development activities. The main reason they have given is that companies do not have enough people to be assigned for the roles of managers, who have to participate in development programmes. Therefore, to shed some light into whether the number of managers employed in a company have an effect on how many managers a company (or department) can release for development programmes, table 10.12 has been drawn. The

table 10.12 shows total number of managers employed in the companies in terms of ownership type. According to the table, the majority of local companies (23.1%) and collaborated companies (20.5%) have higher number of managers (more than 10 managers) than that of foreign companies (15.4%).

Table 10.12: Number of managers employed in terms of ownership type
(percentage of the total)

Number of managers	Ownership type			Total (row %)
	Local	Foreign	Collaborated	
11 or more	23.1 *	15.4 *	20.5 *	59.0
6 to 10	7.7 *	7.7 *	5.1 *	20.5
Less than 5	10.3 *	10.3 *	-- *	20.5
Total (column %)	41.0	33.3	25.6	100.0 *

*. Percentage of the total
Source: Survey data, 2001.

Overall, ANOVA results reveal significant differences across companies of different ownership only in two items investigating top management support for MD. That is frequency of pulling out of managers from undergoing development activities because of other company engagements and allocation of library facilities. In all other 10 items, ANOVA results do not reveal any significant differences across companies of different ownership. Hence, managers, irrespective of the ownership type of the companies, are more likely to expose to a similar degree of top management support for their development. Therefore, hypothesis is rejected.

10.3.3. Summary

Both, HR managers and managers are satisfied with top management support for self-directed learning and it is ranked 1st in terms of mean values (HR managers $x=3.39$, managers $x=3.11$). However, both respondents' responses ranked resources committed for library facilities last. Overall, according to table 11.9, HR managers and managers held a similar perspective on resources committed for MD.

With regard to other means of top management support, in the study several unwritten and unspoken channels that can be used by top management to influence MD are investigated.

The analysis revealed that 93.2 per cent of the managers had received formal development interventions since they have joined the company. It is further revealed that the majority of managers have received development opportunities less than 4 times since they have joined the company (58%). Furthermore, it is revealed that 52.2 per cent

of the managers are satisfied with the development opportunities they received since they have joined the company ($x=3.44$). According to managers' responses, 47 per cent of the managers have frequently received encouragement from top management to participate in development activities ($x=3.30$) and 36 per cent of the managers have frequently received either monetary or non-monetary rewards for their dedication to develop themselves ($x=2.95$).

According to HR managers, 45 per cent of the companies are unlikely to postpone or cancel MD activities because of other company engagements ($x= 3.40$) and 42.3 percent of the companies are unlikely to pulled out managers from development activities because of other company engagements ($x= 3.26$). Further, 47 per cent of the companies are unlikely to promote managers without providing adequate development opportunities ($x=3.39$) and 27 per cent of the companies are likely to reward HR personnel for their dedication to develop managers ($x=2.81$).

Overall, ANOVA results reveal that there are no significant differences in top management support across companies of different ownership in 10 out of 12 items investigated. Only two items show differences. Those are satisfaction regarding allocation of library facilities and the frequently of pulling out of managers from undergoing development activities because of other company engagements. On the other hand, in HR managers' perspective, foreign companies are more likely to pulled out managers from undertaking development activities. However, in all other 10 items, managers, irrespective of the ownership type of the company, are more likely to expose to a similar degree of encouragement, guidance and opportunities from their top management for their development.

Chapter 11

Conclusions, Recommendations, Contributions of the Study and Further Research

This study set out to investigate the nature of MD and the effect of ownership type on MD in the clothing manufacturing industry. The study compared MD practices across foreign, joint venture and local companies in the Sri Lankan clothing manufacturing industry. Further, the study has attempted to find answers to research questions raised in chapter 1. After analysing and discussing findings, this chapter is devoted to the presentation of conclusions, contributions of the study, recommendations and further research areas.

11.1. Conclusions

In the study, the nature of MD is investigated from two perspectives. In the first perspective, all the research questions have been raised in order to identify the nature of MD in the Sri Lankan clothing manufacturing industry. Therefore, these findings revealed the general nature of MD situation in the industry. In the second perspective, all hypotheses have been tested to identify any differences across companies of different ownership. Hence, conclusions are presented under these two perspectives, separately. Therefore, first, general conclusions are presented in order to identify the general nature of MD in the Sri Lankan clothing manufacturing industry.

General conclusions

The **first research question** is raised to find out whether clothing manufacturing companies identify development needs of managers. The results of the analysis revealed that companies frequently identify MD needs. The majority of companies adopt a logical sequence in the identification of needs, starting from the assessment of overall company objectives to implications of these plans for sectional skill needs, and then to individual development needs.

Organisational level analysis begins with an examination of goals of the organisation, as well as of the trends that are likely to affect these goals. Short and long-term strategy of the companies and the trends within the industry are the major driving force in the identification of development needs of managers. Thus, identification of development needs to address specific company issues is the most popular. Also, a considerable number of companies identify development needs of managers a) just after recruitment to a managerial position, b) before being given promotions, and c) after a certain period of service at the managerial level.

The primary source of identifying development needs at the individual level is formal performance appraisal, which is conducted at least once a year. In the clothing manufacturing industry, performance appraisal is used in connection to developmental as well as remedial appraisal purposes. This evidence is in line with many writers' views on usage of performance appraisal information to identify development needs. However, though literature emphasise the need of identifying development needs through succession plans, only a limited number of companies use them. Companies with succession planning systems try to make careful selection and development procedures to make sure that potentials are available when posts become vacant, or when new posts are introduced due to company expansions.

Overall, it is evident that Sri Lankan clothing manufacturing companies identify development needs of managers. This finding is in line with literature that suggests importance of identifying development needs of managers. Further explanations for these findings are provided at the end of the conclusions section. However, findings related to differences in MD needs identification across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **second research question** is raised to find out whether clothing manufacturing companies set MD objectives. The results of the analysis revealed that a considerable number of companies frequently set MD objectives. This finding is in line with literature on MD reviewed earlier. The study also revealed that individual criteria have most frequently been used as the base to set MD objectives. Those are skills, attitudes and knowledge. Among organisational criteria, setting MD objectives based on business objectives is the most favoured. Setting MD objectives based on profits is not favoured. The majority of companies use such base criteria as an indicator rather than measure of whether learning has taken place.

The analysis revealed that companies use MD objectives for several purposes. Management development objectives are most frequently used to choose appropriate development activities. The objectives are also used to provide an overview to managers, to be developed, on what they are going to learn. However, comparatively fewer number of companies use MD objectives to develop their own company specific development programmes. Instead, during the process of designing and planning MD interventions these companies identify and choose appropriate development programmes so that managers can be sent out to attend those programmes.

Overall, it is evident that Sri Lankan clothing manufacturing companies frequently establish MD objectives. Further explanations for these findings are provided at the end of the conclusions section. However, findings related to differences in setting MD

objectives across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **third research question** is raised to find out whether clothing manufacturing companies design and plan MD activities. The results of the analysis revealed that majority of companies involve in the process of designing and planning development interventions. All most all companies emphasise providing managers with formal MD activities. However, none of the companies have emphasised deliberately encouraging managers to learn from informal organisational experiences, which will contribute meeting present and future skill requirements. This situation is in contrast to the HRD concept.

The results of the analysis revealed that designing and planning "development activities external to job" is the most favoured followed by "development activities within the job". Further, "redesigning jobs for development purposes" and "encouraging managers for self-development activities" are not popular. In fact encouraging managers for self-development activities is the least favoured. Distance learning, reading and using library facilities provided by the company are least experienced by the managers. This revealed that MD methods use by Sri Lankan clothing manufacturing companies are not in line with the recent trends in emphasising more self-development methods. Therefore, it seems lot of work has to be done in encouraging managers towards self-development. Further explanations for these findings are provided at the end of the conclusions section. The researcher assumes that the situation across companies of different ownership may provide more detailed description of the process of designing and planning MD activities. However, the findings related to differences in designing and planning MD activities across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **fourth research question** is raised to find out whether clothing manufacturing companies involve in the administration of MD activities. The results of the analysis revealed that half of the companies involve in the administration of MD activities. This finding is in line with literature on MD, reviewed earlier. However, as explained in detail in section 9.4, in chapter 9, HR managers do not involve in facilitating managers to learn from experience or self-development activities. This situation is different to the widely held views on HRD. Based on the results on administration of company sponsored formal development programmes, the companies surveyed are more likely to pre and post administer formal development programmes. The majority of HR managers contact managers as well as providers before the commencement of development programmes. Further, the majority of companies emphasise post administration by involving in obtaining confirmation of completion of development activities and amending development records. Companies are concerned about maintaining up-to-date

development records. Further explanations for these findings are provided at the end of the conclusions section. However, findings related to differences in the administration of formal development activities across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **fifth research question** is raised to find out whether clothing manufacturing companies validate/evaluate MD activities. The results of the analysis revealed that companies are more likely to validate MD activities than evaluate them. This reveals that companies eager to ensure that development programmes meet and continue to meet their stated objectives but less likely to ensure that they have had the desired effect - practical usefulness of MD. However, as explained in literature on evaluation, it is not required to evaluate after each and every development intervention. Evaluation is required when a new intervention is introduced or when there is a significant change in the organisation. Therefore, validation is normally sufficient to get required information on MD programmes.

The results of the investigation revealed that companies validate development programmes in terms of perceptions and comments by means of end-of-course feedback sheets. The formal use of feedback at three levels is evident. That is at the level of managers, at the level of managers' immediate superiors and at the level of trainers. However, it is revealed that the latter is the least popular among companies. With regard to practices in evaluation, the companies evaluate development programmes starting from the individual level and then proceeding to the other two levels, departmental and organisational. However, in the evaluation, more emphasis is given to the performance of managers.

Overall, it is evident that validation and evaluation are regarded as necessary aspects of MD effort; there is a considerable awareness and practice of MD validation and evaluation within the clothing manufacturing industry. Further explanations for these findings are provided at the end of the conclusions section. The researcher assumes that the situation across companies of different ownership may provide more detailed description of the validation and evaluation of MD activities. However, findings related to differences in validation and evaluation of MD activities across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **sixth research question** is raised to find out whether companies have a strategic perspective and have given an important place to the HR function in the organisational strategy process. The results of the analysis revealed that companies have a strategic perspective. In fact, companies have overall organisational strategies, HR strategies, HR

policies and HRD policies. Reasons that have been promoted and will continue to be promoted the existence of strategic perspective are that the needs of internationalisation and the needs of fulfilling interests of global partners. However, a considerable number of companies affirmed that they have unwritten organisational strategies and HR policies, which implied that there is a considerable degree of scope and opportunity for HR managers to develop a strategic dimension to their role. They have to emphasise the importance of formulating written HR policies and practices in the context of their companies' overall organisational objectives and business plans.

With regard to specific HR policies that integrate with company strategy, the majority of companies have policies on promoting managers, providing development opportunities before promotion, and providing development opportunities based on continuous appraisal of performance. However, in many cases, "promotion within" policy is espoused and widely implemented for lower level managerial posts, and senior and middle level managerial posts are excluded. Therefore, in the companies that expressed high preference for externally recruited senior and middle managers, strong recruiting and remuneration function and a relatively weak development function have been seen. Although evidence from literature indicate that it is common to have policies on moving managers cross-functionally and on the number of hours devoted for development activities each year, the data from this study indicate that these are not common.

Human resource development policies specifying MD are rare or virtually non-existent. Formal written statements about directions and content of MD is unusual even in those organisations, which have had organised approaches to MD. Elements of MD policy and process seemed not to exist in a single coherent document. This situation is not a surprise as Hsu and Leat (2000) in the Taiwan context, Budhwar and Sparrow (1997) in the Indian and in the Thailand context and Mumford et al (1987), and Mabey and Thomson (2000) in the western context had also observed that a considerable number of companies affirmed to have unwritten strategies and policies. The researcher believes that if companies had written MD policies, they would give a high degree of importance to MD activities in the organisational process.

The study also investigated the importance given to the HR function in the organisational strategy process. The findings of the study revealed that importance given to the HR function is not sufficient. This situation could be explained using two contrasting views. First, findings do not show very high level of importance given to the HR function. However, it is to be expected when the status of the HR function within the clothing manufacturing industry increases. With the globalisation of business, the need of improving company status has become imperative for the survival of clothing manufacturing companies. When systematic planning has not become foreign to

management thinking at the organisational level, it will not be foreign at the departmental level, too. Hence, the status of human resource function in an organisation is expected to improve further. Second, according to Hall (1984), the active management of employee learning for a long-range of future in relation to explicit corporate and business strategies and the identification of future skills needs are vital. However, it is revealed that inadequate amount of energy is devoted to identify future skills needs compared to the emphases given to identify current skills needs. Further, during the interviews, it is revealed that employee development has short time horizon- in most situations 1 year and maximum of 3 years into the future. The reason may be that the industry itself is built on short-term profits. As the industry itself is known as a "foot loose industry", when profits began to decrease business operations could be shifted to other countries where investors can maximise their profits. Such an orientation allows too little time to wait for the benefits of HRD, MD in particular. This could drive out long-term HRD investment at the workplace and "destroy" the basis of HRD as a part of the corporate strategy. In this context, in general, it is not that development activities in the Sri Lankan context are poor but that their purpose and connection with the wider organisational role are not well-established. If so, when Sri Lankan clothing manufacturing companies recognise the importance of the HR function at the strategy level is unpredictable. However, HR managers held a general view that even though HRD has a short-term focus, it can still offer to improve managers' skills/knowledge/abilities to perform his/her present job or to enable them to learn skills/knowledge/abilities more relevant for the other jobs in the organisation.

Further explanations for these findings are provided at the end of the conclusions section. Furthermore, the researcher assumes that the situation among companies of different ownership may provide more detailed description of the importance given to the HR function in the strategy process. However, findings related to differences in the importance given to the HR function in the strategy process across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **seventh research question** is raised to find out whether HR managers contribute to the organisational strategy process. The results of the analysis revealed that HR managers have a seat in the strategic table and actively engaged in strategy decision-making process. Further, it is revealed that organisations give a greater degree of attention to HR managers' views in the organisational decision-making process. This is in line with available literature that has been reviewed earlier. The majority of HR managers provided evidence of their participation in the company decision-making processes while a considerable number of HR managers revealed that they contribute to the decision-making process and their suggestions are accepted at the board level.

However, during the interviews with HR managers, the researcher discovered that, in several companies, HR managers play a role that is more operational than strategic. They have played their roles with reactive orientation, where HR managers play a role that is fully subservient to the business-level strategy, and business-level strategies ultimately determining HR policies and practices. In such occasions, the researcher feels that HR managers' contribution within organisations has to be further improved. Further explanations for these findings are provided at the end of the conclusions section. The researcher assumes that the situation across companies of different ownership may provide more detailed description of the contribution made by the HR managers in the strategy process. However, findings related to differences in the contribution made by the HR managers in the strategy process across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **eighth research question** is raised to find-out whether clothing manufacturing companies have HRD units/departments. The results of the analysis revealed that half of the companies have HRD units. As suggested in literature, the introduction of open economic policies might have an impact on the realisation of the importance of HRD as a critical factor in the organisational process. Further, based on literature reviewed earlier, after the introduction of open economic policies, especially, the private sector companies have realised the need of managing human resource effectively in order to achieve competitive advantages. Further explanations for these findings are provided at the end of the conclusions section. However, findings related to differences in the existence of HRD units across companies of different ownership are presented after providing the brief summary of all general findings of the study.

The **final research question** is raised to find out whether top management supports the MD effort. Top management support for MD is analysed using two broad criteria, i.e., resources committed for MD and other means of top management support for MD. Resources committed for MD is investigated in terms of 4 aspects, namely, time allocation, budgetary allocation, the provision of library facilities, and support for self-directed learning. The results of the analysis revealed that HR managers and managers are satisfied with all the resources committed for MD except resources committed for library facilities as means of self-development. The analyses revealed that both HR managers and managers felt that resources committed for library facilities are not at a satisfactory level.

The other means of top management support for MD is investigated in terms of 7 aspects. These are "the frequency of managers have been provided with development opportunities", "the frequency of encouragement managers have received from top management to undergo development opportunities", "the frequency of development

opportunities have been postponed or cancelled because of other company engagements", "the frequency of managers have been pulled out or prevented from undergoing development activities because of other company engagements", "the frequency of managers have been promoted without providing adequate development opportunities", "the frequency of managers have been rewarded for their dedication to develop themselves", and "the frequency of HR managers have been rewarded for their dedication to develop managers". The findings in relation to all the aspects that have been considered under other means of top management support suggest that managers had experienced top management support, which they perceived as relatively helpful. However, during the interviews it is discovered that there are few organisations that have paid considerable and visible attention to MD. In such companies, MD effort is seen as worthwhile by senior managers and other powerful stakeholders. However, there are rather more organisations in which MD is relatively beginning to be accepted as broadly a good thing. As a powerful motivator is the realisation that top management considers MD as valuable and follows its progress closely, there are lot of possibilities to assume that top management support is likely to increase overtime.

Further explanations for these findings are provided at the end of the conclusions section. Furthermore, the researcher assumes that the situation across companies of different ownership may provide more detailed description of the top management support for MD. However, findings related to differences in the top management support for MD across companies of different ownership are presented after providing the brief summary of all general findings of the study.

Overall, from the research questions 1 to 9, it is evident that clothing manufacturing companies are concerned about MD. Yet, companies have given major weight to develop managers systematically. Companies identify development needs, set objectives, design and plan, administer and validate and evaluate MD activities. However, literature has revealed that the concept of systematic development emerged in 1960s to address skill shortages of employees and that ideas on MD have changed over the years, where current emphasis is placed on HRD concepts (Megginson et al, 1999). In the Sri Lankan context, however, companies still consider MD as a systematic process. On the other hand, even in the companies, where MD is best provided, efforts have not been brought to systematise informal and accidental learning opportunities. Continuous learning that takes place within ongoing work relationships and learning objectives that come from real organisational problems and issues are not systematically recognised by the companies. Learning is not seen as a total process involving informal and accidental learning as well as formal MD programmes.

Companies give importance to the HR function in the strategy process, where one HR aspect being employee development, including MD. Though the majority of companies do not have written policies on MD, companies make effort to encourage accepting and implementing HR policies on development in daily organisational work. The HR function and HR managers' contribution in the organisational strategy process are recognised by top management and their expertise is regularly called upon. Further explanations for these findings are provided at the end of the conclusions section.

In the following section, the findings related to differences in the MD across companies of different ownership are presented.

Differences in management development practices across companies of different ownership

The framework of the study is based on the assumption that the study will identify significant differences in MD across companies of different ownership, namely 100% foreign (used as "foreign" throughout the thesis), 100% local (used as "local" throughout the thesis) and foreign/local joint ventures (used as "collaborated" throughout the thesis). Therefore, in this section conclusions relating to all the 10 hypotheses tested based on differences in MD across companies of different ownership are presented.

The hypotheses 1, 2, 3, 5 and 6 are tested on the MD in relation to the systematic approach. The following paragraphs briefly present those findings.

The study tested the hypothesis that the frequency of identification of development needs of managers would vary across ownership types (hypothesis 1). The study revealed that collaborated companies are more likely to identify development needs of managers than local companies. However, there are no significant differences between foreign owned companies and the other two categories. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis partially supported the hypothesis.

The study tested the hypothesis that the frequency of setting MD objectives would vary across ownership types (hypothesis 2). The study revealed that all companies- foreign, local and collaborated - irrespective of their ownership type, frequently set MD objectives. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis do not support the hypothesis; hypothesis is rejected.

The study tested the hypothesis that the frequency of designing and planning MD activities would vary across ownership types (hypothesis 3). The study revealed that both foreign and collaborated companies are more likely to design and plan MD activities for their managers than local companies. However, there are no significant differences between foreign companies and collaborated companies. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis partially supported the hypothesis.

The study tested the hypothesis that the frequency of the administration of MD activities would vary across ownership types (hypothesis 5). The study revealed that collaborated companies are more likely to involve in this process than local companies. However, there are no significant differences between foreign owned companies and the other two categories. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis partially supported the hypothesis.

The study tested the hypothesis that the frequency of the validation and evaluation of MD activities would vary across ownership types (hypothesis 6). The study revealed that all companies- foreign, local and collaborated- irrespective of their ownership type, frequently validate and evaluate MD activities. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis do not support the hypothesis; hypothesis is rejected.

Overall, based the results of Hypotheses tests 1, 2, 3, 5, & 6:

- the results do not reveal any significant differences between foreign companies and collaborated companies in any of the steps of the MD process (Hypotheses 1, 2, 3, 5, & 6);
- there are no significant differences in any of the steps of the MD process, except in the frequency of designing and planning of MD activities (Hypotheses 3), between foreign companies and local companies;
- there are significant differences in the frequency of designing and planning MD activities (Hypotheses 3) between local companies compared to foreign companies and collaborated companies. This

suggests that both foreign companies and collaborated companies are more likely to involve in this phase than local companies;

- there are significant differences in the frequency of identification of MD needs (Hypotheses 1) and in the frequency of administration of MD activities (Hypotheses 5) between collaborated companies and local companies. This suggests that collaborated companies are more likely to involve in these phases than local companies.

Overall, the results suggest that both foreign and collaborated companies are more likely to be similar in the provision of MD. However, local companies are less likely to frequently identify MD needs, design and plan MD activities, and administer MD activities. On the other hand, companies, irrespective of their ownership type - local, foreign or collaborated, consider MD as a process. Hence, companies try to develop managers systematically. This reveals the systematic nature of MD in Sri Lankan clothing manufacturing companies. As systematic process is goal-oriented (to produce results for the organisation and/or learners), with the results of each phase being used by the next phase, typically, each phase provides ongoing evaluation feedback to other phases in order to improve the overall process. This allows companies to establish checkpoints to keep each phase on track- under control. Therefore, it can be assumed that companies consider this process as a helpful means of preventing or solving problems. On the other hand, MD is a total process, which embraces both informal and accidental as well as formal processes. Though in recent times value of personal development is highly emphasised to have success in personal development, individual and the organisation have to plan the development. Hence, identification, designing, implementation and evaluation are vital. As explained in literature review, the systematic approach helps to structure both formal as well as informal learning. Hence, these findings do not imply that companies are distant from current views on HRD. Further explanations for these findings are provided later in this chapter.

The hypothesis 4 is tested on the provision of formal development aids:

The study tested the hypothesis that the frequency in the provision of different types of formal development aid would vary across ownership types (hypothesis 4). The study revealed that foreign and collaborated companies are more likely to provide development activities "within the job", to use "job redesign methods" and "self-development methods" for managers than local companies. However, there are no significant differences between foreign, collaborated and local companies in the provision of development activities "external to the job". Further, there are no significant differences between foreign companies and collaborated companies in the provision of any of the formal

development methods. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis partially supported the hypothesis.

The hypotheses 7, 8 and 9 are tested on the importance given to the HR function in the organisational strategy process, HR managers' contribution in the strategy process, and the existence of HRD units. The following paragraphs briefly present these findings.

The study tested the hypothesis that the importance given to the HR function in the organisational strategy process would vary across ownership types (hypothesis 7). The study revealed that all companies irrespective of their ownership type- foreign, local and collaborated- give importance to the HR function in the strategy process. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis do not support the hypothesis; hypothesis is rejected.

The study tested the hypothesis that HR managers' contribution in the organisational strategy process would vary across ownership types (hypothesis 9). The study revealed that HR managers in all the companies irrespective of their ownership type- foreign, local and collaborated- contribute to the strategy process. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the analysis did not support the hypothesis; hypothesis is rejected.

The study tested the hypothesis that the existence of HRD units would vary across ownership types (hypothesis 8). The study revealed that collaborated companies are more likely to have HRD units than both local and foreign companies. An explanation for this finding is provided after presenting the brief summary of all the findings of the hypotheses tests. The results of the chi-square test partially supported the hypothesis.

The hypothesis 10 is tested on top management support for MD:

The study tested the hypothesis that top management support for MD would vary across ownership types (hypothesis 10). The study investigated 12 aspects of the top management support. The study does not support the hypothesis in 10 out of 12 aspects. Therefore, hypothesis is rejected. Hence, the study revealed that top management support in those 10 aspects does not vary in terms of ownership- foreign, local and collaborated. However, two aspects revealed differences. Those are "allocation of library facilities" and "pulling out managers from undergoing

development activities because of other company engagements". The study revealed that differences in the allocation of library facilities in the local companies are significant compared to collaborated companies. Further, the study revealed that foreign companies are more likely to pull out managers from undergoing development activities because of other company engagements than the companies of other two ownership types. This result may be explained by referring to the demographic characteristics of foreign companies. Further analysis revealed that the majority of local companies and collaborated companies have higher number of managers (more than 10) than that of wholly foreign owned companies. Therefore, it might be assumed that the number of managers employed in a company might have an influence on this aspect.

Table 11.1 provides a Summary of hypotheses tests on the differences in management development practices across companies of different ownership

Table 11.1: Summary of hypotheses tests on the differences in management development practices across companies of different ownership

Hypothesis	Differences across companies of different ownership
Hypothesis 1	Collaborated companies are more likely to identify development needs of managers than local companies.
Hypothesis 2	There are no significant differences across companies in setting MD objectives.
Hypothesis 3	Both foreign and collaborated companies are more likely to design and plan MD activities for their managers than local companies.
Hypothesis 4	Foreign and collaborated companies are more likely to provide development activities "within the job", to use "job redesign methods" and "self-development methods" for managers than local companies. However, there are no significant differences between foreign, collaborated and local companies in the provision of development activities "external to the job".
Hypothesis 5	Collaborated companies are more likely to involve in the administration process than local companies.
Hypothesis 6	There are no significant differences across companies in validating and evaluating MD activities
Hypothesis 7	There are no significant differences across companies in the importance given to the HR function in the strategy process.
Hypothesis 8	Collaborated companies are more likely to have HRD units than both local and foreign companies.
Hypothesis 9	There are no significant differences across companies in the contribution made by HR managers to the strategy process
Hypothesis 10	Top management support does not vary in 10 aspects in terms of ownership. Differences in the allocation of library facilities in the local companies are significant compared to collaborated companies. Foreign companies are more likely to pull out managers from undergoing development activities because of other company engagements than the companies of other two ownership types.

Explanations of the findings

It is evident from all the hypotheses tested that all companies are more similar in the provision of MD, irrespective of ownership type. Therefore, though Bournois (1992) and Schein (1986) state that practices of management of HR have to be derived from and strongly reflect the national culture of the country in which an organisation is located, in the Sri Lankan context, already available HRM practices are closely related to the western world. With regard to the application of HRM practices, collaborated and foreign companies are ahead of local companies. This could be better described as being less "in degree" rather than "in kind".

Sri Lanka being a smaller developing economy, foreign companies from dominant economies are in a strong position to bring in and operate their distinctive ways of MD. The other related point is with minimum legal requirements from the government authority, and operating in an environment without trade unions, foreign companies are free to introduce their novel MD methods. However, the unavailability of any distinct MD practices across companies or in other words similarities of MD practices across companies may be due to several reasons, which are 1) the colonial legacy left by the British, 2) the educational background of the Sri Lankan managers, 3) the impact of technical assistance, 4) the transfer of foreign management practices by multinational companies, and 5) the impact of globalisation on management practices through industrialisation, the use of international quality standards etc.

First of all, one reason for this is probably due to the colonial legacy left by the British. The similarities in MD practices across companies can be explained by the findings of Wijewardena and Wimalasiri (1996), which show that due to the invasions of Western rulers, which have prevailed for hundreds of years, the indigenous management practices have disappeared and management practices brought by western rulers have become dominant, can be accepted. It is a fact that for 400 years British rule left its mark on the system of administration, industry and commerce. Policies were determined unilaterally by the colonial administrators and implemented through a network of administrative officials who were considered to be loyal to the authority. In addition to the total control over the administrative mechanism in the public sector, the private sector enterprises were placed under the foreign management. All major industries such as tea, rubber, coconut, and spice were run by the foreign managers. Thus, even after the colonial period, the indigenous people had to follow the footsteps of running business using western systems.

Second reason for the similarities in MD practices across companies is probably due to the educational background of the Sri Lankan managers. Management education has entered into the mainstream of the educational system during last three decades (Wijewardena and Wimalasiri 1996). Universities, colleges and other organisations offer courses of studies in management. However, according to some writers, like many other Asian countries, most of those courses offered and the textbooks used by these institutions were those based on the techniques and concepts developed in the US and

Europe (Chinniah, 1986; Manamperi, 1987; Manuratna, 1986; Nanayakkara, 1992). Similarly, most of the foreign experts who were involved in numerous bilateral and multilateral technical assistance programmes have also propagated western concepts through their MD programmes (Chinniah, 1986; Minks and Withana 1977). Furthermore, according to some analysts many Sri Lankan management educators have pursued education in North American and British universities (Chinniah, 1986; Manamperi, 1987; Manuratna, 1986; Minks and Withana 1977; Nanayakkara, 1992). Accordingly, western management technology has had an enormous influence on the management practices in Sri Lanka.

Third reason for the similarities in MD practices across companies is probably due to the impact of technical assistance. Foreign technological assistance seems to have had impact on Sri Lanka. It could be assumed that western practices were brought into Sri Lanka alongside policies designed to encourage rapid technological and educational advancement primarily via skills or knowledge transfer. If that is the case, the purpose of MD in such a context will probably be more 'westernisation'.

Fourth reason for the similarities in MD practices across companies can probably be explained by Veblen (1954), who argued that when countries modernise, their organisational structures and value systems inevitably converge (as in Dunphy 1993). It is stated in literature that foreign investors adapt their operations to foreign environments and alter policies in different ways depending on the particular country or issue. The foreign companies have had to rely on local industrial relations and personnel experts in the construction of HRM systems. Further, it also stated that foreign investors, generally, are more likely to conform to local conditions when local conditions assure themselves a cheaper, more compliant workforce to be competitive in the world market. Therefore, the end result would be more convergence.

Fifth, the similarities that cut across national and regional boundaries can be explained by Kerr et al (1960), who argued that industrialisation would ensure that managerial attitudes, values and behaviour would become increasingly uniform (as in Richards 1993). This has recently been emphasised by Chen (1995), who argued that all the Asian management systems are currently undergoing a rapid process of modernisation, where companies drive to modernise its management by grafting western work practices; thus, systems are becoming more similar to that of the west. As Whitley (1994) noted, internationalisation of markets and firms is not a simple matter of transferring managerial technologies to foreign subsidiaries, and thereby transforming "backward" economies. Thus, it is not a case of exporting their practices to host countries. On the other hand, while business systems are competing in world markets, they have to adapt to dominant patterns in those markets. When western management concepts enter into the play in the forms of the requirements of foreign buyers and international standards, the western approaches to management have a high degree of legitimacy.

Further, when whole conceptual frameworks like HRD or MD are themselves relatively recent and have been developed on the basis of implicit US assumptions (Hofstede, 1993), foreign countries have no choice but to use them, thus, having western features as the fundamental nature.

Finally, by considering the changes that occurred after 1977, it can be suggested that entrance of global enterprises and global standards into the country might have had an enormous influence in the management practices. It should not be forgotten that all clothing manufacturers manufacture the products for the global market, which is mainly the US and the EU (Karunatilake, 1999). In this respect as mentioned earlier, international standards have a high degree of legitimacy. Though it is not compulsory, clothing manufacturers identify international standards of certification as a source of competitive advantage, especially to face recently entered countries to the clothing manufacturing industry. Though international standards do not specify requirements of MD in their standards, international standards have resulted in a growing awareness about HRD. Further, in many cases, the first step organisations take towards developing formal HRD programmes is to abide by ISO 9000 standards, which has led to more universal HRD practices.

Although the results of the hypothesis tests give evidence of overwhelmingly similarities across companies, the data analysis revealed that both foreign and collaborated companies are more likely to attend to the provision of MD than local companies. In this context, it might be concluded that when Sri Lanka opened its door to foreign investment in 1977, those investors have brought into Sri Lanka not only "hardware" such as modern plans and equipment, but also "software" including advanced management expertise and HR management systems and practices.

Further, the data analysis revealed that collaborated (joint venture) companies are more likely to attend to the provision of MD than foreign companies in some aspects. This situation can be explained largely by organisational level factors rather than macro level factors such as the economic, historical and global environments. Among organisational factors, learning might play a vital role. It is well documented by researchers that to be successful, organisations must not only process information but also create new information and knowledge (Inkpen and Dinur 1998). Each joint venture partner has knowledge that, at least part, should be considered valuable by the other partner(s). Hence, there can be a significant payoff in co-operating in knowledge creation, which could strengthen and reinforce a company's competitive strategy. Therefore, this makes it possible for joint venture partners not only to adapt, but also to transform through mutual learning. Therefore, it can be assumed that collaborative companies have provided a supportive environment in which both partners are engaged in learning to create more effective organisational context than that of foreign companies.

11.2. Contributions of the study

The intellectual origin and justification for the study is derived from the changing nature of management practices and its effects on Sri Lanka. In the context specific sense, the study has provided an opportunity to gain an insight into the dynamics of MD. The study has explored the dimensions of MD and related subsystems in a two-way relationship involving the interests of companies and the interests of managers in the light of changing trends in the clothing manufacturing strategy. The design of the study made it possible to generalise some of the findings in a broader perspective. Hence, findings have wider theoretical implications for the practices of MD in Sri Lankan companies.

As an initial attempt, the study has fulfilled the tasks at the conceptual level and the findings of the study have made following contributions.

First, the experience of the researcher indicates that there has been little published material on MD and management practices in Sri Lanka. Further, there has hardly been any attempt to look at the reality of MD from the HRD standpoint. Hence, though the study is confined to BOI registered clothing manufacturing companies, it has thrown new light on the Sri Lankan context. Therefore, the findings of the study will increase the awareness of MD and HRM practices among academics, practising managers, HRM/HRD professionals, policy makers as well as other interest groups that are playing a part in the MD. The study will be a useful source of reference in establishing MD systems based on emerging concepts of HRD. In the Sri Lankan context, such material is lacking.

Second, this is the first detailed study conducted on MD in Sri Lanka and in the clothing manufacturing industry. Given the context-specific nature of the study, this in itself is a significant source of information for practices of MD in the clothing manufacturing industry, and in turn in Sri Lanka. Considering the emerging nature of MD within the industry, this study has been able to provide useful specific information on the nature and the prevailing system of MD. Hence, the study should also rekindle the academic interests of the prospective stakeholders, who intend to gain further knowledge on MD/HRM/HRD practices that are prevalent and feasible in the Sri Lankan clothing industry.

Third, though there are studies on international joint ventures and Western and Asian management practices, this is one of the few studies conducted to strengthen the focus on MD by placing interest in and emphasis on identifying the significance of the ownership type of the companies on the practices of MD. The framework of the study is based on investigating whether there are differences across companies of different ownership. It is believed that 100% foreign companies would have brought their own practices and would have retained and transferred those practices to their local operations. The study found some significant differences between foreign and local companies while in other respects it did not show any significant differences. This

situation shows that foreign companies do bring their ideas but local companies are not alien to them. They are also practising them to some extent. This seems that globalisation and requirement of foreign buyers and international standards make the process of transfer less difficult and lessen the burden of foreign investors, which they might have had a few decades ago. Further, the findings seem to reveal that Sri Lanka is not detached from the rest of the world. Hence, findings of the study will make a contribution to literature by adding strength to an already existing body of knowledge on international HRD practices under export-led industrialisation strategy.

Finally, though the Sri Lankan sample displays a provision of formal aid for MD, none of the efforts have been revealed concerning efforts that have taken to formalise informal and accidental learning opportunities, irrespective of the ownership type of the companies. Therefore, an implication of the study is the evidence it has provided to question the practices of MD, which are still based on the systematic provision of formal aid irrespective of the emerging trends in HRD. Continuous learning that takes place within ongoing work relationships and learning objectives come from real organisational problems and issues are not formally recognised by the companies. Although it has been urged by researchers such as Megginson et al (1993), Mumford (1997), and Cunningham (1999) that MD should be implemented more on self-managed basis, this has not yet happened in the Sri Lankan context. Further, researchers such as Nonaka and Takeuchi (1995), Cunningham (1999), and Watkins and Marsick (1993) have emphasised the need for formalising informal and accidental learning. However, Sri Lankan MD has still not taken steps to formalise work based informal and accidental learning.

13.3. Recommendations

In the light of the findings of this research, following recommendations can be put forward:

There are significant differences in the frequency of identifying development needs, designing and planning development activities and administration of development activities, between local and both collaborated and foreign companies. Therefore, local companies have to better organise and communicate the elements of MD. The fundamental routes that prevail in the industry have to be strengthened.

It is observed that collaborated companies and foreign companies frequently design and plan development activities based on "job redesign methods", "development activities within the job" and "self-development activities" than locally owned companies. Therefore, MD has to become an institutional norm in local companies; they need to create conditions that require adopting HRD as a holistic approach to the development of managers. This requires a clear emphasis on learning rather than emphasising specific "development activities external to the job". Management development, therefore, has to be increasingly less concerned with subject matter; companies have to see MD as an integral part of personal growth. Above all,

development should be viewed as self-directed, continuous and part and parcel of day-to-day management.

It is observed that the majority of companies of all the ownership types do not have formal written policies on MD. Therefore, production and communication of precise policy documents are valuable as they provide opportunities for drawing attention to issues and at least stating what organisations believe in.

The recent literature on HRD emphasise that development effort should essentially be a teamwork, where all members of the organisation are members of the development team and they all have something to contribute. It is observed, in general, that line managers increasingly taking far more responsibility for the development of their subordinates. However, the majority of companies the researcher surveyed have not recognised line managers' role as an essential part of the development process. In some instances though line managers plan job rotations, mentoring programmes, etc, those are not formally recognised by the companies. This situation has to be changed in line with popular emerging views of managers as coaches, guides, or facilitators as notes by Senge (1996).

There are significant differences in MD practices between local companies compared to both collaborated and foreign companies. Collaborated and foreign companies have brought into Sri Lanka not only a substantial amount of investment with advanced technology, but also sophisticated management systems and expertise. Their ways of management practices have an important influence on local companies in changing traditional people management practices. Therefore, it is a need to further regulate clothing manufacturing companies. Though BOI is the sole organisation that make rules for which investors have to abide by, BOI has not made any explicit regulations on employee development provisions for investors (BOI, b). Therefore, it must thoroughly consider adding regulations on employee development in their regulations under labour standards and relations

13.4. Further research

This study has brought into surface several other issues, which need elaboration through further research.

There are many comparative studies conducted on western and Asian cultures and their impact on management practices. The comparison in most of these studies, however, is between American and Japanese and Southeast Asian styles of management under the assumption that those represent all the Asian countries. Hofstede (1993) has shown that the concepts of HR and HRD might be both country specific. As the current study is an exploratory in nature, case studies or longitudinal studies will reveal more details of the nature of MD and ownership effect on MD. Such studies have to distinguish detailed country specific management practices, which could be tested for their underlying basic assumptions where those are different.

In future, it may be possible to tell from further research whether the strategic role of the HR function is increasing. In the present study, HR managers generally felt that having HR specialists on the company board participating in the development of corporate strategy is important. They also felt that the importance given to HR issues at the corporate strategy has been increasing. Future research could develop more specific, complex, and in-depth questions regarding how those HR managers who do have places in the company board are actually involve in the development of corporate strategy from the outset and in the implementation stage. This may require longitudinal research through case study.

It is observed that there is a preference for western management concepts and practices throughout the industry without having any difficulty of adjustments. However, this issue has not been explicitly addressed in this study as the researcher's main interest is to look into the differences across companies of different ownership. Hence, it is still not clear if it is due to the legacy of British colonial rule as claimed by Wijewardena and Wimalasiri (1996) or due to influences of the emerging trends of globalisation of trade and investment. Therefore, it opens a path for further research.

Effect of salient contextual factors such as, the number of employees, the number of managers employed, the amount of total investment, technology, structure, and culture, have not been considered in the study. The circumstances and constraints bring about by these contextual factors could be further researched creating a framework showing relationships with MD.

Since, in the study, recruitment and retention dimensions of HRM strategy have not been investigated, the findings unable to provide information on whether clothing manufacturing companies view these approaches and development of managers complementary. Hence, further research in this area is recommended.

References

- Abdullah, S. R. S., & Keenoy, T. (1995). Japanese Managerial Practices in the Malaysian Electronics Industry: Two Case Studies. *Journal of Management Studies*, 32(6), 36-40.
- Abeyawickrama, P. S. (1996). *Impact of Job Mobility on Career Development*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Agnaia, A. A. (1997). *Management Training within its Environment: The Case of Libyan Industrial Companies*. UMIST, Manchester.
- Al-Khayyat, R. M., & Elgamal, M. A. (1997). A Macro Model of Training and Development: Validation. *Journal of European Industrial Training*, 21(3), 87-101.
- Armstrong, M. (1991). *A Handbook of Personnel Management Practice* (2 ed.). London: Kogan Page.
- Armstrong, M. (1995). *A Handbook of Personnel Management Practice* (5 ed.). London: Kogan Page.
- Armstrong, M. (1996). *A Handbook of Personnel Management Practice* (6 ed.). London: Kogan Page.
- Armstrong, M. (1999). *A Handbook of Human Resource Management Practice* (7 ed.). London: Kogan Page.
- Arnold, J., Robertson, I., & Cooper, C. (1991). *Work Psychology: Understanding Human Behaviour in the Work Place*. London: Pitman.
- Arthur Jr, W., Woehr, D. J., Akande, A., & Strong, M. H. (1995). Human Resource Management in West Africa: Practices and Perceptions. *The International Journal of Human Resource Management*, 6(2), 347-367.
- As-Saber, S. N., Dowling, P. J., & Liesch, P. W. (1998). The Role of Human Resource Management in International Joint Ventures: A Study of Australian-Indian Joint Ventures. *The International Journal of Human Resource Management*, 9(5), 751- 766.
- Athwela. (2001). Further Challenges for Clothing Industry. *Athwela (in Sinhalese)*, June/July, 8-9.
- Avery, G., Everett, A., Finkelde, A., & Wallace, K. (1999). Emerging Trends in Australian and New Zealand Management Development Practices in the Twenty-first Century. *Journal of Management Development*, 18(1), 94-108.
- Babbie, E. R. (1989). *The Practice of Social Research* (5 ed.). California: Wardsworth Publishing Company.
- Babbie, E. R., & Halley, F. (1995). *Adventures in Social Research: Data Analysis Using SPSS for Windows*. London: Pine Forge Press.
- Bagshow, M. (1996). Creating Employability: How can Training and Development Square the Circle Between Individual and Corporate Interest? *Industrial and Commercial Training*, 28(1), 16-18.
- Bandarage, D. S. (1984). Personnel Management: Some Socio-Cultural Determinants of Policy and Practice. In G. Nanayakkara & S. Ranasinghe (Eds.), *Proceedings of two international seminars held during 1982-1983 in Colombo on Management in a Socio-Cultural Context*. Colombo: German Cultural institute.
- Bartel, A. P. (1994). Productivity Gains from the Implementation of employee Training Programmes. *Industrial relations*, 33, 411-425.

- Basu, D. R., & Miroshnik, V. (1999). Strategic Human Resource Management of Japanese Multinationals - A Case Study of Japanese Multinational Companies in the UK. *Journal of Management Development*, 18(9), 714-733.
- Beach, D. S. (1975). *Personnel: The Management of People at Work* (3 ed.). London: Macmillan Publishing Company Inc.
- Beechler, S., & Yang, J. Z. (1994). The Transfer of Japanese-Style Management to American Subsidiaries: Contingencies, Constraints, and Competencies. *Journal of International Business Studies*, 25(3), 467-492.
- Bender, J. M., Urban, T. F., Galang, M. C., Frink, D. D., & Ferris, G. R. (1996). Developing Human Resources Professionals at ARCO Oil and Gas Company. In G. R. Ferris & M. R. Buckley (Eds.), *Human Resource Management: Perspectives, Context, Functions, and Outcomes*. New Jersey: Prentice-Hall, Inc.
- Benson, J., Debroux, P., Yuasa, M., & Zhu, Y. (2000). Flexibility and Labour Management: Chinese Manufacturing Enterprises in the 1990s. *International Journal of Human Resource Management*, 11(2), 183-196.
- Bernard, D. T. K. (1994). The Effects of EU and its Standards Organisation on Sri Lankan Exports. *Economic Review (in Sinhalese)*, February, 25-28.
- Black, J. A., & Champion, D. J. (1976). *Methods and Issues in Social Research*. New York: John Wiley & Sons.
- Board of Investment of Sri Lanka. (2000a). *Garment sector: Garment Factories in Commercial Operation (1978 to 2000, October)*. Colombo: BOI, Research and Documentation Dept.
- Board of investment of Sri Lanka. (2000b). *Garment Sector: General Details of Garment Factories in Commercial Operation till 2000, October*. Colombo: BOI, Research and Documentation Dept.
- Board of Investment of Sri Lanka. (2000c). *The BOI sector statistical abstracts-1999*. Colombo: BOI, Research and Documentation Dept.
- Board of Investment of Sri Lanka (BOI, a). *Make it in Sri Lanka: Business and Investment Environment*. Colombo: BOI.
- Board of Investment of Sri Lanka (BOI, b). *Make it in Sri Lanka: Labour Standards and Relations*. Colombo: BOI.
- Board of Investment of Sri Lanka (BOI, c). *Your Gateway to Asia*. Retrieved 10/01/2002, from <http://www.boisrilanka.org>
- Borucki, C. C., & Lafley, A. F. (1984). Strategic Staffing at Chase Manhattan Bank. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Bourgone, J., & Stuart, R. (1978). Management Development Programmes: Underlying Assumptions about Learning. In J. Burgoyne & R. Stuart (Eds.), *Management Development: Context and Strategies*. England: Gower Press.
- Bournois, F. (1992). The Impact of 1993 on Management Development in Europe (Changes Affecting Middle Managers in the EC). *International Studies of Management and Organisation*, Spring, 22(7), 7-30.
- Bournois, F., & Metcalfe, P. (1991). Human Resource Management of Executives in Europe: Structures, Policies and Techniques. In C. Brewster & S. Tyson (Eds.), *International Comparison in Human Resource Management*. London: Pitman.
- Bourque, L. B., & Fielder, E. P. (1995). *How to Conduct Self-Administered and Mail Surveys*. California: Sage Publication.

- Boydell, T. (1976). *Experiential learning*. University of Manchester, Department of Adult and Higher Education.
- Boydell, T. H. (1971). *A Guide to the Identification of Training Needs*. England: British Association for Commercial and Industrial Education.
- Brace, N., Kemp, R., & Snelger, R. (2000). *SPSS for Psychologists: A Guide to Data Analysis Using SPSS for Windows, version 8, 9, and 10*. London: Macmillan Press.
- Bramley, P. (1994). Evaluation. In A. Mumford (Ed.), *Gower Handbook of Management Development* (4 ed.). England: Gower Publishing Co. Ltd.
- Bratton, J., & Gold, J. (1999). *Human Resource Management: Theory and Practice*. London: Macmillan Press Ltd.
- Brinkerhoff, R. O. (1987). *Achieving Results from Training: How to Evaluate HRD to Strengthen Programmes and Increase Impact*. California: Jossey-Bass Inc.
- Bryman, A., & Cramer, D. (2001). *Quantitative Data Analysis with SPSS Release 10 for Windows: A Guide for Social Scientists*. East Sussex: Routledge.
- Buckley, R., & Caple, J. (1990). *The Theory and Practice of Training*. Kogan Page.
- Budhwar, P., & Sparrow, P. (1997). Evaluating Levels of Strategic Integration and Development of Human Resource Management in India. *The International Journal of Human Resource Management*, 8(4), 476-494.
- Burgoyne, D. (1988). Management Development for the Individual and the Organisation. *Personnel Management*, June, 40-44.
- Business Source Premier. (Online). *Sri Lanka Country Review 2000*. Retrieved 27/09/2001, from <http://www.Countrywatch.com>
- Central Bank of Sri Lanka. (1998). *Economic Progress of Independent Sri Lanka: 1948-1998*. Colombo: Central Bank of Sri Lanka.
- Central Bank of Sri Lanka. (2000). *Central Bank Annual Report 2000*. Retrieved 14/01/2002, from <http://www.lanka.net/centralbank>
- Chan, W. M. S. (1995). *Factors Influencing the Expectations of Trainers and Trainees of the Formal Television Production Training Courses in Hong Kong Tertiary Education*. Manchester, UMIST.
- Chandratilleke, K. L. (1997). *Managerial Value Orientations and Labour Management Relations; A Study of Export Manufacturing Firms in Sri Lanka*. Institute of Social Studies, Hague.
- Chen, M. (1995). *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*. London: Routledge.
- Child, J. (1993). A Foreign Perspective on Management in China. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.
- Child, J. (1994). *Management in China During the Age of Reform*. Cambridge: Cambridge University Press.
- Child, J., & Rodrigues, S. (1996). The Role of Social Identity in the International Transfer of Knowledge through Joint Ventures. In S. R. Clegg & J. Palmer (Eds.), *The Politics of Management of Knowledge*. London: Sage Publication.
- Chinniah, C. S. (1986). *History of Administrative Training in the Public Sector of Sri Lanka*. Colombo: SLIDA.

- Cinnai, M., & Bussard, D. (1994). CEO Beliefs, Management Development, and Corporate Strategy: An Exploratory Study. *Group and Organisation Management*, 19(1), 51-67.
- Clarke, S., & Metalina, T. (2000). Training in the New Private Sector in Russia. *International Journal of Human Resource Management*, February, 11(1), 19-36.
- Clothing Industry Training Institute. (2000). *Prospectus 2000*. Sri Lanka.
- Collins, M. (1994). *A Study of the Links Between Business Objectives and Human Resource Strategies in the West Midlands Regional Health Authority*. UMIST, Manchester.
- Cunningham, I. (1999). *The Wisdom of Strategic Learning: The Self Managed Learning Solution* (2 ed.). England: Gower Publishing Limited.
- Cunningham, J. B., Debrah, Y. A., & Petzall, S (1996). Manufacturing Management Practices of Japanese Subsidiaries in Singapore. *Industrial Management & Data Systems*, 96(7), 3-17.
- Currie, G. (1999). Resistance Around a Management Development Programme: Negotiated Order in a Hospital Trust. *Management Learning*, March, 30(1), 43-61.
- Cushway, B. (1994). *Human Resource Management*. London: Kogan Page.
- De Meuse, K. P., & Tornow, W. W. (1996). The Tie that Binds - Has Become Very, Very Frayed. In G. R. Ferris & M. R. Buckley (Eds.), *Human Resource Management: Perspectives, Context, Functions, and Outcomes*. New Jersey: Prentice-Hall, Inc.
- Delaney, J. T., & Huselid, M. A. (1996). The Impact of Human Resource Management Practices on Perceptions of Organisational Performance. *Academy of Management Journal*, 39(4), 949-969.
- Department of National Planning. (1992). *Public Investment 1992-1996*. Colombo: Ministry of Policy Planning and Implementation, Department of National Planning.
- Department of Textile and Clothing Technology. (2001). *Extension Courses to the Garment Industry: Course Content*. Sri Lanka: University of Moratuwa, Department of Textile and Clothing Technology.
- Devanna, M. A., Fombrun, C. J., & Tichy, N. M. (1984). A Framework for Strategic Human Resource Management. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Dias, R. E. (1990). *Effective Performance Evaluation System for Managerial Grades*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Ding, D. Z., Goodall, K., & Warner, M. (2000). The End of the 'Iron Rice-Bowl': Whither Chinese Human Resource Management? *International Journal of Human Resource Management*, 11(2).
- Dissanayake, C. (1992). *Sri Lankan Apparel Industry: A Strategic Plan*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Doyle, W., & Young, J. D. (2000). Management Development: Making the Most of Experience and Reflection. *The Canadian Manager*, Fall, 25(3), 18-19.
- Dunphy, D. C. (1993). Convergence/Divergence: A Temporal Review of the Japanese Enterprise and its Management. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.
- Economic Review. (1989). Ready Made Garments. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, 15(1), 3-25.
- Esterby-Smith, M., & Ashton, D. (1979). *Management Development in the Organisation*. London: Macmillan.

- Esterby-Smith, M., Malina, D., & Yuan, L. (1995). How Culture-Sensitive is HRM? A comparative Analysis of Practice in Chinese and UK Companies. *The International Journal of Human Resource Management*, 6(1), 31-59.
- Ferdinand, B. (1988). Management Training Needs Analysis. *Industrial and Commercial Training*, 20(5), 27-31.
- Fernando, G. (1999). Overview: Apparel Industry. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, 25(3&4), 1.
- Fernando, I. N. (1995). *Determinants of Career Mobility Among Sri Lankan Professional Managers in the Private Sector*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Fernando, N. (1991). Management Training: Present Crisis and Future Perspectives. *Sri Lanka Journal of Development Administration*, January- June, 8(1), 119- 133.
- Fernando, S. J. (1998). *Strategy Making Process for the Sri Lankan Apparel Industry*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Fields, D., Chan, A., & Akhtar, S. (2000). Organisational Context and Human Resource Management Strategy; A structural Equation. Analysis of Hong Kong Firms. *International Journal of Human Resource Management*, 11(2), 264-277.
- Fink, A. (1995a). *The Survey Handbook*. California: Sage Publication.
- Fink, A., & Kosecoff, J. (1985). *How to Conduct Surveys: A Step-by-Step Guide*. California: Sage Publication.
- Flink, A. (1995b). *How to Design Surveys*. California: Sage Publication.
- Flink, A. (1995c). *How to Ask Survey Questions*. California: Sage Publication.
- Fombrun, C. J. (1984). Corporate Culture and Competitive Strategy. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Fonseka, A. T., & Fonseka, D. (1998). Garment Industry of Sri Lanka: Challenges and Responses. *Sri Lanka Journal of Management*, July-December, 3(3&4), 249-291.
- Fonseka, W. R. F. (1998). *A Study of the Factors that Enhance the Transfer of Skills from the Trainers to the Trainees*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Fowler, F. J., Jr. (1984). *Survey Research Methods*. California: Sage Publication.
- Free Management Library. (Online). *Ways to Look at Training and Development Processes: Informal/Formal and Self-Directed/Other-Directed*. Retrieved 19/6/2001, from <http://www.managementhelp.org/>
- Frey, J. H., & Oishi, S. M. (1995). *How to Conduct Interviews by Telephone and in Person*. London: Sage Publication.
- Ghosh, B. C., & Chan, C., O. (1994). A Study of Strategic Planning Behaviour Among Emergent Businesses in Singapore and Malaysia. *International Journal of Management*, 11(2), 697-706.
- Gil, M. J. A., & Fe, P. G., de la. (1999). Strategic Alliances, Organisational Learning and New Product Development: The Cases of Rover and Seat. *R & D Management*, 29(4), 391-404.
- Gleave, S., & Oliver, N. (1993). Human Resource Management in Japanese Manufacturing Companies in the UK: 5 Case Studies. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.

- Glover, L., & Siu, N. (2000). The Human Resource Barriers to Managing Quality in China. *International Journal of Human Resource Management*, October, 11(5), 867-882.
- Goldstein, I. L. (1974). *Training: Programme Development and Evaluation*. California: Brooks/Cole Publishing Co.
- Griffith, D. A., Zaybek, A. Y., & O' Brien, M. (2001). Knowledge Transfer as a Means for Relationship Development: A Kazakhstan-Foreign International Joint Venture Illustration. *Journal of International Marketing*, 9(2), 1-18.
- Grzeda, M. M., & Assogbavi, T. (1999). Management Development Programmes in Francophone sub-Saharan Africa. *Management Learning*, 30(4), 413-429.
- Gunatilaka, E. S. (1987). The Need for a Training Policy. *Sri Lanka Journal of Development Administration*, 4(1), 17-22.
- Gunawardana, D. P. (1999). The Human Resources Needs of the Apparel Industry: Sri Lanka Experience. *Textile and Clothing (a publication of Textile Training and Services Centre, Sri Lanka)*, April-June, 2(3), 10-15.
- Gupta, A., & Misra, L. (2000). The Value of Experiential Learning by Organisations: Evidence from International Joint Ventures. *Journal Of Financial Research*, 23(1), 77-102.
- Haigh, R. W. (1992). The Hermosillo Experience as a Ford-Mazda Proving Ground. *Columbia Journal of World Business*, Spring, 60-74.
- Haley, G. T., & Tan, C. T. (1999). East vs. West: Strategic Marketing Management Meets the Asian Networks. *Journal of Business & Industrial Marketing*, 14(2), 91-102.
- Hall, D. T. (1984). Human Resource Development and Organisational Effectiveness. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Hall, N. (1976). *Cost-Benefit Analysis in Industrial Training (Manchester Monographs 6)*. Manchester: Department of Adult Education, University of Manchester.
- Hamel, G. (1991). Competition for Competence and Inter-Partner Learning within International Strategic Alliances. *Strategic Management Journal*, 12(special issue), 83-104.
- Handy, C. (1987). *The Making of Managers: A Report on Management Education, Training and Development in the USA, West Germany, France, Japan and the UK*. London: National Economic Development Office.
- Harrison, R. (1992). *Employee Development*. London: Institute of Personnel Management.
- Henderson, R., Sutherland, J., & Turley, S. (2000). Management Development in Small Business: A Sub-Regional Examination of Practice, Expectation and Experience. *Regional Studies*, February, 30(1), 43-61.
- Hendry, C. (1995). *Human Resource Management: A Strategic Approach to Employment*. London: Butterworth-Heinemann Ltd.
- Hofstede, G. (1993). The Applicability of McGregor's Theories in South East Asia. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.
- Holmes, S., & Cross, M. (1987). *Training for Change*. London: Manpower Services Commission.
- Hsu, Y., & Leat, M. (2000). A study of HRM and Recruitment and Selection Policies and Practices in Taiwan. *International Journal of Human Resource Management*, 11(2), 413-435.
- Huczynski, A. (1983). *Encyclopaedia of Management Development Methods*. England: Gower Publishing Co.

- Humphrey, J. (1995). The Adoption of Japanese Management Techniques in Brazilian Industry. *Journal of Management Studies*, 32(6), 767-788.
- Hunt, J. (1986). *Managing People at Work: A Manager's Guide to Behaviour in Organisations*. New York: McGraw-Hill.
- Huselid, M. A. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal*, 38(3), 635- 672.
- Hutchings, K. (1996). Workplace Practices of Japanese and Australian Multinational Corporations Operating in Singapore, Malaysia and Indonesia. *Human Resource Management Journal*, 6(2), 58-71.
- ILO. (1986). *An Introductory Course in Teaching and Training Methods for Management Development*. Geneva: ILO.
- ILO. (1992). *An Introductory Course in Teaching and Training Methods for Management Development*. Geneva: International Labour Office.
- Industry Task Force on Leadership and Management Skills. (1994). *Customer's Views of Australian Management: Asian-Pacific Viewpoints*. Canberra: Department of Employment, Education and Training.
- Inkpen, A. C., & Beamish, P. W. (1997). Knowledge, Bargaining Power and International Joint Venture Stability. *Academy of Management Review*, 22(1), 177-202.
- Inkpen, A. C., & Dinur, A. (1998). Knowledge Management Processes and International Joint Ventures. *Organisation Science*, 9(4), 454-468.
- Institute of Management. (1994). *Management Development to the Millennium: The Taylor Working Party Report. The Way Ahead 1994-2001*. Corby: Institute of Management.
- Ishizaka, S. (1996). Management Development in Tory: Now and in the Future. *Journal of Management Development*, 15(8), 38-46.
- Jayarathna, M. N. J. (1996). Emerging Trends in Human Resource Management in Sri Lanka. *Lanka Business Week*, May-June, 3, 3-6.
- Jayasena, W. (1987). *Some Important Steps in the Strategic Planning Process of Sri Lanka*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Jinendradasa, D. (1998). *Employee and employer expectations in performance appraisal*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Kagono, T. (1996). Part-time MBA Education in Japan. *Journal of Management Development*, 15(8), 53-65.
- Kamoche, K. (2000). From Boom to Bust: The Challenges of Managing People in Thailand. *International Journal of Human Resource Management*, 11(2), 452-468.
- Karunatilake, A. G. N. (1999). The WTO and the Textile and Clothing Industry of Sri Lanka. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, 25(3&4), 2-7.
- Keep, E. (1992). *Britain's Attempts to Rate a National Vocational Education and Training System: A Review of Progress*. Coventry: University of Warwick, Industrial Relations Research Unit.
- Kennly, M., & Florida, R. (1995). The Transfer of Japanese Management Styles in Two US Transplant Industries: Autos and Electronics. *Journal of Management Studies*, 32(6), 789-803.
- Khatri, N. (2000). Managing Human Resource for Competitive Advantage: A Study of Companies in Singapore. *International Journal of Human Resource Management*, 11(2), 336-365.

- Kinnear, P. R., & Gray, C. D. (2001). *SPSS for Windows Made Simple: Release 10*. East Sussex: Psychology Press.
- Kirkbride, P. S., & Tang, S. F. Y. (1994). From Kyoto to Kowloon: Cultural Barriers to the Transference of Quality Circles from Japan to Hong Kong. *Asia Pacific Journal of Human Resource*, 32(2), 100-111.
- Kite, P. (1996). The Need for Better Strategic Planning. *Lanka Business Week*, September-October, 4, 3-4.
- Knoke, D., & Kalleberg, A. C. (1994). Job Training in US organisations. *American Sociological Review*, 59, 537-546.
- Kobayashi, K. (1996). Adult Business Education Programmes in Private Educational Institutions in Japan. *Journal of Management Development*, 15(8), 30-38.
- Kolb, D. A. (1996). Management and the Learning Process. In K. Starkey (Ed.), *How Organisations Learn*. London: International Thomson Business Press.
- Kufidu, S., & Vouzas, F. (1998). Human Resource Aspects of Quality Management: Evidence from MNEs Operating in Greece. *The International Journal of Human Resource Management*, October, 9(5), 818-830.
- Larson, H. (1994). Key Issues in Training and Development. In C. Brewster & A. Hegewisch (Eds.), *Policy and Practice in European Human Resource Management*. London: Routledge.
- Laud, R. L. (1984). Performance Appraisal Practices in the Fortune 1300. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Lauterbach, B., & Weisberg, J. (1994). Top Management Successions: The Choice between Internal and External Sources. *The International Journal of Human Resource Management*, February, 5(1), 51-65.
- Lawler, J. L., Jain, H. C., Ratnam, C. S. V., & Atmiyanandana, V. (1995). Human Resource Management in Developing Economies: A comparison of India and Thailand. *The International Journal of Human Resource Management*, 6(2), 319-346.
- Lee, M. E., & Alston, J. P. (1990). Is Japanese Style Management Exportable: Evidence from the World's Largest Firms. *Advances in International Comparative Management*, 5, 197-209.
- Leelaratne, P. M. (1995). Skills Training for Labour Market: Issues and Constraints. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, May, 21(2), 14-19.
- Litwin, M. S. (1995). *How to Measure Survey Reliability and Validity*. California: Sage Publication.
- Liu, S., & Vince, R. (1999). The Cultural Context of Learning in International Joint Ventures. *The Journal of Management Development*, 18(8), 666-675.
- Lux, W. (1997). Japanese Management Evolves Again. *Management Review*, 86(6), 36-40.
- Lyles, M. A., & Salk, J. E. (1996). Knowledge Acquisition from Foreign Parents in International Joint Ventures: An Empirical Examination in the Hungarian Context. *Journal of International Business Studies*, 27(5), 877-904.
- Mabey, C., & Thompson, A. (2000). The Determinants of Management Development: The Views of MBA Graduates. *British Journal of Management*, 11(Special Issue), 3-16.
- Makhija, M., & Ganesh, U. (1997). The Relationship between Control and Partner Learning in Learning-Related Joint Ventures. *Organisation Science*, 8(6), 508-525.

- Mamoria, C. B. (1998). *Personnel Management - Management of Human Resources*. Mumbai: Himalaya Publishing House.
- Manamperi, S. A. (1987). *The Systems Concept: A Case for an Integrated Approach to Organisation Development in Sri Lanka*. Colombo: SLIDA.
- Manning, P. A., & Poljeva, T. (1999). The Challenge of Management Development in the Baltic States in the Twenty-first Century. *Journal of Management Development*, 18(1), 32-45.
- Manuratna, L. P. M. (1986). *Training and Development of Middle Level Managers in Sri Lanka*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Marsick, V. L., & Watkins, K. E. (1997). Lessons from Informal and Incidental Learning. In J. Burgoyne & M. Reynolds (Eds.), *Management Learning: Integrating Perspectives in Theory and Practice*. London: Sage Publication.
- Martin, A. O. (1968). The Training Function in the Working Organisation. In J. W. Barber (Ed.), *Industrial Training Handbook*. London: ILIFFE Books Ltd.
- Mathis, R. L., & Jackson, J. H. (1991). *Personnel/ Human Resource Management*. New York: West Publishing Company.
- Mathis, R. L., & Jackson, J. H. (1994). *Human Resource Management* (7 ed.). New York: West Publishing Corporation.
- McDaniel, D. O., & Schermerhorn, J. R. J. (1999). Vietnam: The Environment for Management Development in the Twenty-first Century. *Journal of Management Development*, 18(1), 79-84.
- McFarlin, D. B., Coster, E. A., & Mongale-Pretorius, C. (1999). South African Management Development in the Twenty-first Century: Moving Towards an Africanised Model. *Journal of Management Development*, 18(1), 63-78.
- Megginson, D. (1994). Planned and Emergent Learning: A Framework and a Method. *Executive Development*, 7(6), 29-32.
- Megginson, D. (2001). Cultivating Spirit in Organisations. *Industrial and Commercial Training*, 33(6), 212-219.
- Megginson, D., Banfield, P., & Joy-Ma, J. (1999). *Human Resource Development*. London: Kogan Page.
- Megginson, D., Joy-Matthews, J., & Ba, P. (1993). *Human Resource Development*. London: Kogan Page.
- Megginson, D., & Whitaker, V. (1999). *Cultivating Self-development*. London: Institute of Personnel and Development.
- Mendoza, G. A. (1977). The Transferability of Western Management Concepts and Programmes: An Asian Perspective. In L. D. Stifel (Ed.), *Education and Training for Public Sector Management in Developing Countries*. Rockefeller Foundation.
- Milkovich, G. T., & Boudreau, J. W. (1997). *Human Resource Management* (8 ed.). New York: McGraw-Hill Companies.
- Minks, A. L., & Withana, R. M. (1977). *Management Training in Sri Lanka: A Brief Study of the Public Sector*. Colombo: Academy of Administrative Studies.
- Mole, G. (2000). *Managing Management Development*. Buckingham: Open University Press.
- Mondy, R. W., & Noe, R. M. (1987). *Personnel: The Management of Human Resources* (3 ed.). Massachusetts: Allyn and Bacon Inc.

- Morden, T., & Bowles, D. (1998). Management in South Korea: A review. *Management Decision*, 36(5/6), 316-331.
- Moser, C. A., & Kalton, G. (1972). *Survey Methods in Social Investigation* (2 ed.). London: Heinemann Educational Books Limited.
- Mumford, A. (1997). *Management Development: Strategies for Action*. London: IPM.
- Mumford, A., Robinson, G., & Stradling, D. (1987). *Developing Directors: The Learning Processes*. Sheffield: Manpower Services Commission.
- Nandadasa, P. N. (1994). The Needs for Visionary Skills Training. *Sri Lanka Exporter* (a publication of the National Chambers of Exporters of Sri Lanka), Sep-Dec, 8, 46-49.
- Nanyakkara, G. (1992). *Culture and management in Sri Lanka*. Colombo: University of Sri Jayawardenapura, Postgraduate Institute for Management.
- Napier, N. K. (1996). Strategy, Human Resources Management, and Organisational Outcomes: Coming from Between the Cracks. In G. R. Ferris & M. R. Buckley (Eds.), *Human Resource Management: Perspectives, Context, Functions, and Outcomes*. New Jersey: Prentice-Hall, Inc.
- Napier, N. K., & Albert, M. S. (1993). East Asian and American Perspectives on Thinking Strategically: The Leopard and His Spots. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.
- Naylor, D. M. (2000). Should Western Managers be Encouraged to Adopt JMPs? *Employee Relations*, 22(1&2), 160-175.
- Nonaka, L., & Takeuchi, H. (1995). *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation*. New York: Oxford University Press.
- Okazaki-Ward, L., & Amaya, T. (1996). Editorial: Management Development in Japan. *Journal of Management Development*, 15(8), 4-7.
- Olian, J. D., Durham, C. C., Kirstoff, A. L., Brown, K. G., Pierce, R. M., & Kunder, L. (1998). Designing Management Training and Development for Competitive Advantage: Lessons from the Best. *Human Resource Planning*, March, 21(1), 20-32.
- Paik, Y., & Sohn, J. H. D. (1998). Confucius in Mexico: Korean MNCs and the Maquiladoras: Can the Practices and Philosophies of Korean and Other Asian MNCs Work in Western Companies? *Business Horizons*, 41(6), 25-34.
- Pang, K. K., & Oliver, N. (1988). Personnel Strategy in Eleven Japanese Manufacturing Companies in the UK. *Personnel Review*, 17(3), 16-21.
- Patrick, J. (1992). *Training Research and Practice*. London: Academic Press.
- Peel, M. (1984). *Management Development and Training*. London: British Institute of Management.
- Phoenix Collage of Clothing Technology. (2001). *Full-time Courses Leading to Industry Based Training*. Sri Lanka.
- Prokopenko, J. (1998). Problem Identification and Training Needs Assessment. In J. Prokopenko (Ed.), *Management Development: A Guide for the Profession*. Geneva: ILO.
- Prokopenko, J. (1998). Introduction. In J. Prokopenko (Ed.), *Management Development: A Guide for the Profession*. Geneva: ILO.
- Puri, B. K. (1996). *Statistics in Practice: An Illustrated Guide to SPSS*. London: Arnold, a member of the Holder Headline Group.

- Ranasinghe, S. W. (1992). Human Resource Development in Sri Lanka: Present Trends and Future Perspectives. In S. Salleh & S. B. Gurung (Eds.), *Human Resource Development in South Asia*. Malaysia: Asian and Pacific Development Centre.
- Raper, P., Ashton, D., Felstead, A., & Storey, J. (1997). Toward a Learning Organisation? Explaining Current Trends in Training Practice in the UK. *International Journal of Training and Development*, 1(1), 9-21.
- Richards, D. (1993). Flying Against the Wind? Culture and Management Development in South East Asia. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.
- Robinson, K. R. (1990). *A Handbook of Training Management* (2 ed.). London: Kogan Page.
- Romiszowski, A. J. (1990). Trends in Corporate Training and Development. In M. Mudler, A. J. Romiszowski & P. C. Van Der Sijde (Eds.), *Strategic Human Resource Development*. Amsterdam: Swets & Zeitlinger Met lit. opg.
- Rothery, B. (1995). *ISO 14000 and ISO 9000*. England: Gower Publication.
- Runyon, R. P., Coleman, K. A., & Pittenger, D. J. (2000). *Fundamentals of Behavioural Statistics* (9 ed.). Boston: McGraw Hill Companies.
- Russell, J. S., Torborg, J. R., & Powers, M. L. (1985). Organisational Performance and Organisational Level Training and Support. *Personnel Psychology*, 38, 849-863.
- Saheed, A. H. H. (1998). Current Status of Sri Lanka's Textile and Apparel Industry. *Textile and Clothing (a publication of Textile Training and Services Centre, Sri Lanka)*, October, 1(1), 3.
- Salkind, N. (2000). *Statistics for People who (think they) Hate statistics*. California: Sage Publications.
- Salleh, S. (1992). Overview of Human Resource Development. In S. Salleh & S. B. Gurung (Eds.), *Human Resource Development in South Asia*. Malaysia: Asian and Pacific Development Centre.
- Schaafsma, H. (1996). Australia's Karpin Report: New Priorities for Management Development? *Journal of Management Development*, 16(1), 53-69.
- Schein, E. H. (1986). A Critical Look at Current Career Development in Organisations. In D. T. Hall (Ed.), *Career Development in Organisation*. San Francisco: Jossey-Bass.
- Schmidt, R. J. (1996). Japanese Management, Recession Style. *Business Horizons*, 39(2), 70-77.
- Scholl, R., & Brownnell, W. (1983). Let Management Development Score for Your Organisation. *Personnel Journal*, 62(12), 487-491.
- Schuler, R. S. (1987). *Personnel and Human Resource Management* (3 ed.). St. Paul: West Publishing Co.
- Schuler, R. S. (2001). Human Resource Issues and Activities in International Joint Ventures. *The International Journal of Human Resource Management*, 12(1), 1-52.
- Sekaran, U. (1992). *Research Methods for Business: A Skill Building Approach* (2 ed.). New York: John Wiley and Sons, Inc.
- Senanayake, S. (2001). Apparel Industry after Expiry of MFA. *Sri Lanka Exporter (a publication of the National Chambers of Exporters of Sri Lanka)*, March- May, 33, 49-52.
- Silveira, M. J. S. (2000). *Opportunities for Career Advancement for Engineers: An Analysis of Two Studies*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.

- Sivanesan, V. (2000). *A Management Development and Training Policy for Bank of Ceylon*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Smith, A., & Hayton, G. (1999). What Drives Enterprise Training? Evidence from Australia. *The International Journal of Human Resource Management*, April, 10(2), 251-272.
- Snape, E., Thompson, D., Yan, F. K., & Redman, T. (1998). Performance Appraisal and Culture: Practice and Attitudes in Hong Kong and Great Britain. *The International Journal of Human Resource Management*, October, 9(5), 841-861.
- Sparrow, P., Schuler, R., & Jackson, S. E. (2000). Convergence or Divergence: Human Resource Practices and Policies for competitive Advantage Worldwide. In M. Mendenhall & G. Oddou (Eds.), *Readings and Cases in International Human Resource Management* (3 ed.): South-Western Collage publishing.
- Spector, P. E. (1981). *Research Designs*. California: Sage Publication.
- Spender, J. C. (1996). Making Knowledge the Basis of a Dynamic Theory of the Firm. *Strategic Management Journal*(special issue), 42-62.
- Sri Lanka Exporter. (1995). Training of Personnel Vital to Ensure Quality of Products. *Sri Lanka Exporter (a publication of the National Chambers of Exporters of Sri Lanka)*, March, 9, 51-52.
- Stewart, A. (1994). Diagnosing needs. In A. Mumford (Ed.), *Gower Handbook of Management Development* (4 ed.). England: Gower Publishing Co. Ltd.
- Storey, J., Edwards, P., & Sisson, K. (1997). *Managers in the Making: Careers, Development and Control in Corporate Britain and Japan*. London: Sage Publication.
- Storey, J., & Sisson, K. (1993). *Managing Human Resources and Industrial Relations*. Buckingham: Open University Press.
- Sumner, J. S. (1993). *Succession Planning Considered as Part of a Management Development Strategy to Increase Organisational Effectiveness in Scottish Local Government*. University of Dundee, Dundee.
- Suzuki, N. (1996). Middle-aged and Older Employees in Japanese Corporations. *Journal of Management Development*, 15(8), 8-17.
- Tavernier, G. (1971). *Industrial Training Systems and Records*. London: Gower Press.
- Taylor, B. (2001). The Management of Labour in Japanese manufacturing Plants in China. *International Journal of Human Resource Management*, 12(4), 601-620.
- Templer, A. J., Hofmeyr, K. B., & Rall, J. J. (1997). An International Comparison of Human Resource Management Objectives and Activities. *The International Journal of Human Resource Management*, 8(4), 550-562.
- Tennakoon, R. (1999). Apparel Industry: The Future Scenario. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, 25(3&4), 8-10.
- Tennakoon, R. (Online). *Labour Issues in Textile and Clothing industry: A Sri Lankan Perspective, Workshop background paper, Sectoral activities programme*. Retrieved 11/01/2002, from <http://oracle02.ilo.org/public/english/dialogue/sector/papers.htm>
- Tertiary and Vocational Education Commission. (2000). *Labour Market Information Bulletin* (Vol. 2, December). Sri Lanka: Tertiary and Vocational Education Commission.
- Textile Training and Services Centre. (1999). *Vocational Education and Training Plan for Garment Industry*. Colombo: Ministry of Vocational Training, Tertiary and Vocational Education Commission.
- Textile Training and Services Centre. (2001). *Prospectus 2001*. Sri Lanka.

- Thanopoulos, J., & Leonard, J. W. (1996). Nourishing American Business with Japanese Recipes. *Review of Business*, 18(1), 7-11.
- The Island. (2002). *Reducing Cost of Garment Industry*. Retrieved 07/01/2002, from <http://www.island.lk/2002/01/07>
- Thompson, A., Mabey, C., & Storey, J. (1998). The Determinants of Management Development: Choice or Circumstance? *International Studies of Management and Organisation*, Spring, 28(1), 91-114.
- Thomson, A., Storey, J., Mabey, C., Gray, C., Farmer, E., & Thompson, R. (1997). *A Portrait of Management Development*. London: The Institute of Management.
- Tichy, N. M., Fombrun, C. J., & Devanna, M. A. (1984). The Organisational Context of Strategic Human Resource Management. In C. J. Fombrun, M. A. Devanna & N. M. Tichy (Eds.), *Strategic Human Resource Management*. New York: John Wiley & Sons.
- Todesco, A. (1997). *From Training Evaluation to Outcome Assessment: What Trends and Best Practices Tell Us*. Canada: Learning services directorate, Public service commission.
- Trickett, A. (2000). *Analysis of Categorical Data (booklet one of the course handbook ES5592-Data Analysis)*. Manchester: The University of Manchester, School of Economic Studies.
- Uduwela, A. R. (2000). *Human Resource Development Climate: A Survey of Two Large Private Commercial Banks in Sri Lanka*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Ulrich, D., & Lake, D. (1990). *Organisational Capability: Competing From the Inside/Out*. New York: John Wiley and & Sons.
- University of Salford. (Online). *Statistical analysis with SPSS*. Retrieved 29/04/2002, from <http://www.chssc.ac.uk/healthSci/resmeth2000>
- Van Boom, D. P. (1990). Training in the Future Organisation. In M. Mudler, A. J. Romiszowski & P. C. Van Der Sijde (Eds.), *Strategic Human Resource Development*. Amsterdam: Swets & Zeitlinger Met lit. opg.
- Waidyanatha, W. G. S. (1999). Sri Lankan Apparel Industry: In the Midst of Challenge. *Economic Review (a publication of Peoples Bank of Sri Lanka)*, 25(3&4), 2-7.
- Walters, B. A., Peters, S., & Dess, G. G. (1994). Strategic Alliances and Joint Ventures: Making them Work. *Business Horizons*, 37(4), 5-10.
- Walters, M. (1996). *Mature Students' Experience of Higher Education: Motivations, Expectations, and Outcomes*. University of Manchester, Manchester.
- Walton, J. (1999). *Strategic Human Resource Development*. England: Financial Times/Prentice Hall.
- Warren, M. W. (1979). *Training for Results: A System Approach to the Development of Human Resources in Industry* (2 ed.). California: Addison-Wesley Publishing Co.
- Watad, M., & Ospina, S. (1999). Integrated Managerial Training: A programme for Strategic Management Development. *Public Personnel Management*, 28(2), 185-197.
- Weerakkody, D. (2000). Developing People. *Business Today (Sri Lanka)*, March, 140-141.
- Weerasooriya, S. B. (1996). *Labour Productivity in the Garment Industry of Sri Lanka*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.

- Weliwita, W. K. G. (1991). *A Comparative Study of Two Organisations: Efficiency and Effectiveness of the Training Function in Public and Private Sector Organisations in Sri Lanka*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Wheelen, T. L., & Hunger, J. D. (1993). *Strategic Management*. Wokingham: Addison-Wesley.
- Whitley, R. (1994). *Business Systems in East Asia: Firms, Markets, and Societies*. London: Sage Publications Ltd.
- Wickens, P. (1995). *The Ascendant Organisation*. London: Macmillan.
- Wijesiriwardana, I. (1994). *A Study of Succession Planning Practices and its Impact on Sri Lankan Business Organisations*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Wijetunga, M. D. K. H. (1992). *Training and Development in the Department of Post*. University of Sri Jayawardenapura, Postgraduate Institute for Management, Colombo.
- Wijewardena, H., & Wimalasiri, J. S. (1996). In Search of an Asian style of Management. *Sri Lanka Journal of Management*, April-June, 1(2), 125-140.
- Wills, G. S. C. (1998a). Future Perspectives of Management Development. In J. Prokopenko (Ed.), *Management Development: A Guide for the Profession*. Geneva: ILO.
- Wills, M. (1998b). *Managing the Training Process: Putting the Principles into Practice* (2 ed.). England: Gower Publishing Company.
- Woodall, J. (2000). Corporate support for work-based management development. *Human Resource Management Journal*, 10(1), 18-32.
- Wright, P. M., & Ferris, G. R. (1996). Human Resource Management: Past, Present, and Future. In G. R. Ferris & M. R. Buckley (Eds.), *Human Resource Management: Perspectives, Context, Functions, and Outcomes*. New Jersey: Prentice-Hall, Inc.
- Yavas, U., Eroglu, D., & Eroglu, S. (1994). Sources and Management of Conflict: The Case of Saudi-U.S. Joint Ventures. *Journal of International Marketing*, 2(3), 61-82.
- Yin, R. K. (1994). *Case Study Research: Design and Methods*. California: Sage Publications.
- Yoo, S., & Lee, M. (1993). Management Style and Practice of Korean Chaebols. In P. Bunt & D. Richards (Eds.), *Readings in Management, Organisation and Culture in East and South East Asia*. Darwin, Australia: NTU Press.

JOHN RYLANDS
UNIVERSITY
LIBRARY OF
MANCHESTER

Appendix 1: Data on the Sri Lankan Export-Oriented Clothing Manufacturing Industry

Table 1: Export-oriented clothing manufacturing industry: the number of companies and estimated investment by the year of approval

Year of approval	Number of companies	Estimated investment (Sri Lankan Rupees Million) *		
		All Foreign ^a	All Local ^b	Total
1978	1	0.8	2.4	3.2
1979	8	67.2	55.9	123.1
1980	5	358.8	441.0	799.7
1981	10	1,101.2	151.1	1,252.3
1982	4	16.4	33.8	50.2
1983	4	173.1	104.2	277.3
1984	0	--	--	--
1985	1	157.6	94.2	251.7
1986	2	32.5	26.8	59.3
1987	2	18.1	87.7	105.8
1988	2	169.6	24.2	193.9
1989	4	277.5	90.5	368.0
1990	7	105.8	75.0	180.8
1991	11	587.2	123.3	710.5
1992	8	494.5	72.5	567.0
1993	11	1,025.9	972.9	1,9998.7
1994	5	161.1	479.1	640.2
1995	1	1,250.5	--	1,250.5
1996	3	172.9	247.4	420.3
1997	15	1,345.7	272.3	1,618.0
1998	41	856.7	1,082.2	1,939.0
1999	43	948.7	1,832.8	2,781.4
2000 (October)	19	2,804.6	4,785.2	7589.9
Total	207	12,126.4	11,054.5	23,180.9

*= the amount of investment can be increased over time

a= includes investment of 100% foreign companies and foreign investment component of the joint venture companies.

b= includes investment of 100% local companies and local investment component of the joint venture companies.

Source: Research and Documentation Unit, Board of Investment of Sri Lanka (BOI, 2000a)

Table 2: Employment in BOI Industries: employment classified by the industry

Industry	1996		1997		1998		1999		2000	
	Number	%	Number	%	Number	%	Number	%	Number	%
Food, beverages & tobacco	6,926	2.86	8,625	3.34	11,699	3.97	11,571	3.54	12,265	3.67
Textile, wearing apparel & leather Products	156,391	64.63	161,321	62.48	189,395	64.34	216,700	66.26	220,833	65.99
Wood & wood products	2,449	1.01	3,147	1.23	2,723	0.93	2,148	0.66	2,257	0.67
Paper, paper products, printing and publishing	733	0.31	1,011	0.39	871	0.29	969	0.30	988	0.30
Chemicals, petroleum, coal, rubber & plastics	20,489	8.47	22,319	8.65	25,699	8.73	24,234	7.41	25,132	7.51
Non-metallic, mineral products	9,226	3.81	9,709	3.76	10,920	3.71	12,559	3.84	12,727	3.80
Fabricated Metal, Machinery & Transport equipment	1,399	0.58	1,681	0.65	2,503	0.85	3,998	1.22	4,086	1.22
Manufactured products (not elsewhere specified)	26,665	11.02	31,563	12.22	31,538	10.71	32,958	10.07	33,165	9.91
Services	17,687	7.31	18,809	7.29	19,033	6.47	21,922	6.70	23,198	6.93
Total	241,965	100.00	258,185	100.00	294,381	100.00	327,059	100.00	334,651	100.00

Source: Board of Investment of Sri Lanka (as cited in Tertiary and Vocational Education Commission 2000, p28).

Appendix 2: Questionnaire for Human Resource Managers

Management Development in the Export-Oriented Clothing Manufacturing Industry

Questionnaire for Human Resource Managers

I am a PhD student at the Institute for Development Policy and Management at the University of Manchester. As a part of my research work, I am seeking views on management development in the export-oriented clothing manufacturing Industry. I wish to inform you that you have been selected randomly to fill this questionnaire. I would appreciate it if you could spare 10 minutes of your precious time to fill in the questionnaire.

I wish to assure you that the information you provide will be treated with utmost confidence and used for academic research only. Thank you in advance for your help.

For any inquiry about this survey, please contact

Vathsala Akuratiyagamage
Ph.D. Programme
IDPM, University of Manchester
Precinct Centre
Manchester M13 9GH
E-mail: msrijvma@stud.man.ac.uk

For each of the questions, please select and indicate (✓) the most appropriate number from the 5 to 1 scale. Three scales have been used in this questionnaire. They are:

Scale 1:

Always	5
Often	4
Sometimes	3
Almost never	2
Never	1

Scale 2:

Very satisfied	5
Satisfied	4
Moderate	3
Unsatisfied	2
Very unsatisfied	1

Scale 3:

Very high	5
High	4
Moderate	3
Low	2
Very low	1

Please indicate your experiences regarding management development in your present organisation by answering the following questions.

Always			Never	
5	4	3	2	1

1. How often does your company identify development needs of managers?

2. How often do managers in your company go through development activities in the following situations?

- a) Just after recruitment
- b) Before being given promotions
- c) Before being given salary increments
- d) After a certain period of service at a managerial level (for example: every 2 years)

Always			Never	
5	4	3	2	1

3. Does your company have a succession plan to fill managerial positions that may be vacant due to transfer, promotion, retirement etc?

Yes ☐ No ☐

If "yes", to question (Q) 3, please answer question 4; if "no", please go to Q 5

Always			Never	
5	4	3	2	1

4. How often does your company use the succession plan to identify development activities for potential management successors?

5. How frequently does your company conduct performance appraisal for managers? (Please tick the appropriate box)

- Every 6 months
- Every year
- Every 2 years
- More than 2 years time
- Never

If your company assess performance, please answer Q 6; if not, please go to Q 7

6. How often does your company:

- a) Use performance appraisal information to identify development needs for current performance deficiencies of managers?
- b) Use performance appraisal information to identify development needs for future performance requirements of managers?

Always			Never	
5	4	3	2	1

7. How often do Human Resource (HR) personnel receive development requests from managers themselves (prospective trainees)?

8. How often do HR personnel receive development requests from senior managers who like their management subordinates to be developed?

Always			Never	
5	4	3	2	1

9. Please specify the methods your company uses to identify development needs other than through performance appraisal, succession plan and requests

19. Apart from planning formal management development activities does your company plan and develop any other informal development activities, which will eventually lead to the development of managerial skills

Yes ☐

No ☐

If yes, please explain

20 How often do HR personnel become involved in administering development activities for managers?

Always			Never	
5	4	3	2	1

21. How often does your company:

- Revise management development activities to accommodate new demands for specific skills and knowledge?
- Cancel management development activities because it failed to meet the objectives?
- Introduce new management development activities in order to address specific company issues?
- Prepare development plans
- Prepare development budgets
- Discuss the results of development needs analysis with other affected parties (such as, Dept/ Division heads of the proposed trainees, Finance dept, etc)
- Contact the managers before the commencement of the internal or external development activities?
- Contact the trainers before the commencement of the internal or external development activities?

Always			Never	
5	4	3	2	1

22. How often does your company undertake the following at the end of development activities?

- Get confirmation of the completion of the development activities by the managers
- Amend training records

Always			Never	
5	4	3	2	1

23 How often does your company validate management development activities?

Always			Never	
5	4	3	2	1

24. How often does your company get feedback information on development activities from:

- Managers themselves
- Managers' immediate boss
- Trainers
- Others (Please specify) -----

Always			Never	
5	4	3	2	1

Always			Never	
5	4	3	2	1

- 25 How often does your company check whether managers are using the skills they acquired from development activities?
- 26 How often do HR personnel help managers to apply the skills they acquired from development activities?

27. Apart from evaluating formal management development activities, does your company validate any informal development activities which managers undertake?

Yes ☐ No ☐

If yes, please specify

Always			Never	
5	4	3	2	1

28 How often does your company determine the impact of management development activities on individual managers or departments?

29. Please state to what extent your company is satisfied regarding the following:

Very satisfied			Very unsatisfied	
5	4	3	2	1

- a) Managers' improvements after the completion of the development activities
- b) Improvements in managers' Dept/Division after the completion of the development activities
- c) Improvements in the company after the completion of the development activities

30. How often could you identify the following as reasons that prevent transfer of learning from management development activities in your company?

Always			Never	
5	4	3	2	1

- a) Poor training needs identification
- b) Non-supportive work environment
- c) Little control over training transfer process
- d) Skills are not learnt during the activity
- e) The difference between work environment and development programme environment.
- f) Lack of motivation of managers
- g) Inferior training programmes
- h) Other (please specify) -----

31. Does your company have an overall organisational strategy? (Please tick the appropriate box)

Yes, there is an agreed written overall organisational strategy

Yes, there is an agreed unwritten overall organisational strategy

Overall organisational strategy is currently developing

No, we do not have an overall organisational strategy

Don't know

32. Does your company have a Human Resource (HR) strategy? (Please tick the appropriate box)

- Yes, there is an agreed written HR strategy
- Yes, there is an agreed unwritten HR strategy
- HR strategy is currently developing
- No, we do not have HR strategy
- Don't know

33. Does your company have Human Resource (HR) policies? (Please tick the appropriate box)

- Yes, there are agreed written HR policies
- Yes, there are agreed unwritten HR policies
- HR policies are currently developing
- No, we do not have HR policies
- Don't know

34. Does your company have HR policies on the following? (Please tick the appropriate box)

- To promote managers within the company
- To move managers cross functionally
- To provide development opportunities before promotion
- To provide a particular amount of development activities for managers each year (for example- in terms of hours, amount of investment)

Yes	No	Don't know'

35. Does your company have human resource development policies? (Please tick the appropriate box)

- Yes, there are agreed written human resource development policies
- Yes, there are agreed unwritten human resource development policies
- Human resource development policies are currently developing
- No, we do not have human resource development policies
- Don't know

36. How would you describe the importance given to HR function in the organisational strategy process of your company?

Very high					Very low
5	4	3	2	1	

37. Please state to what extent you are satisfied with the following:

- a) Time available/allocated for each manager for developmental purposes
- b) Money/budgetary allocations for each manager for developmental purposes
- c) Library facilities provided by the company
- d) Overall support given to managers for self-directed learning

Very satisfied					Very unsatisfied
5	4	3	2	1	

38. How often do HR personnel participate in the company Board meetings

39. How often do HR personnel discuss/propose management development matters in Board meetings

40. How often do the proposals relating to management development get accepted by the company Board

Always					Never
5	4	3	2	1	

- 41 How often have development activities been cancelled or postponed because of other company activities (reverse scale)
- 42 How often have managers been pulled out of development activities because of other company activities (reverse scale)
- 43 How often have managers been promoted without providing adequate development opportunities (reverse scale)

Always				Never
5	4	3	2	1

- 44 How often has management development been given priority in company budgets
- 45 How often have HR personnel been rewarded for their contribution for developing their management subordinates (reward may be non-monetary or monetary)

Always				Never
5	4	3	2	1

General questions

1. Ownership of the business: please state the nature of the ownership of the company (Please tick the appropriate box)

100% Sri Lankan

100% Foreign

Collaborated (Sri Lankan & Foreign owned)

2. Size: Please state the number of employees in your company (Please tick the appropriate box)

Less than 100

101-500

501 - 1000

More than 1000

3. Please state the number of managers in your company (Please tick the appropriate box)

Less than 5

5-10

More than 10

4. Do you have a separate human resource development unit?

Yes ☐ No ☐

I would very much appreciate any comments you would like to make that would be relevant to the subject of the questionnaire. Please use the space overleaf for that purpose.

I am most grateful for your contribution to this research.

Appendix 3: Questionnaire for Managers

Management Development in the Export-Oriented Clothing Manufacturing Industry

Questionnaire for Managers

I am a PhD student at the Institute for Development Policy and Management at the University of Manchester. As a part of my research work, I am seeking views on management development in the export-oriented clothing manufacturing industry. I would appreciate it if you could spare 10 minutes of your precious time to fill in the questionnaire.

I wish to assure you that the information you provide will be treated with utmost confidence and used for academic research only. Thank you in advance for your help.

For any inquiry about this survey, please contact
Vathsala Akuratiyagamage
Ph.D. Programme
IDPM, University of Manchester
Precinct Centre
Manchester M13 9GH
E-mail: msrijvma@stud.man.ac.uk

For each of the questions, please select and indicate (✓) the most appropriate number from the 5 to 1 scale. Two scales have been used in this questionnaire. They are:

Scale 1:

Very satisfied	5
Satisfied	4
Moderate	3
Unsatisfied	2
Very unsatisfied	1

Scale 2:

Always	5
Often	4
Sometimes	3
Almost never	2
Never	1

5. To what extent are you satisfied with the following?

- a) Opportunities to learn by doing the job
- b) Opportunities to handle problems on the job
- c) Opportunities to learn from company meetings
- d) Opportunities to learn during business visits
- e) Opportunities to learn during social occasions related to work
- f) Opportunities to learn from the feedback given by superiors
- g) Opportunities to learn by observing colleagues/superiors
- h) Any other (please specify) -----

Very satisfied 5	4	3	2	Very unsatisfied 1

6. To what extent are you satisfied with the development opportunities you have had so far

Very satisfied 5	4	3	2	Very unsatisfied 1

7. Please state to what extent you are satisfied with the following:

- a) Time available/allocated for your developmental purposes
- b) Money/budgetary allocations for your developmental purposes
- c) Library facilities provided by the company for your developmental purpose
- d) Overall support for your self-directed learning

Very satisfied 5	4	3	2	Very unsatisfied 1

Please state how you feel about the following in connection to development activities you have been given:

- 8. The relevance of development activities for your present job
- 9. The relevance of the development activities for your career development
- 10. Your confidence and ability to use the skills
- 11. The duration of the development activities
- 12. Time you received to practice the skills
- 13. Actual usage of skills acquired from the development activities
- 14. The help you received from your immediate superior in using the acquired skills
- 15. The help you received from the HR/HRD Dept/Division in using the acquired skills
- 16. The ease of transferring the knowledge and skills you have acquired from development activities

Very satisfied 5	4	3	2	Very unsatisfied 1

Please state how you feel about following:

17. How often do top executives of the company encourage you to take part in development activities?
18. How often are managers provided with development opportunities before being promoted?
19. How often are you rewarded for your dedication to developing yourself? (rewards may be non-monetary or monetary)

Always				Never
5	4	3	2	1

20. How often are you prevented from undertaking development activities because of other company engagements? (reverse scale)

Always				Never
5	4	3	2	1

21. Do you subscribe to any journal in your field? Yes ☐ No ☐

General questions

1. Years of service you have with the current employer as a manager (Please tick the appropriate box)

Less than 5 years ☐

5-10 years ☐

More than 10 years ☐

2. Your sex (Please tick the appropriate box)

Male ☐ Female ☐

3. Your age (Please tick the appropriate box)

30 or below ☐

Between 31 and 40 ☐

Between 41 and 50 ☐

More than 51 ☐

4. Your highest academic qualification (Please tick the appropriate box)

G.C.E. (O/L) ☐

G.C.E. (A/L) ☐

Diploma ☐

University Degree/equivalent ☐

Postgraduate Degree ☐

5. Do you have any professional qualification? (Please tick the appropriate box)

Yes ☐ No ☐

6. Ownership of the business (Please state the nature of the ownership of the company)

100% Sri Lankan ☐

100% Foreign ☐

Collaborated (Sri Lankan & foreign owned) ☐

8. Do you have a separate human resource development unit? (Please tick the appropriate box)

Yes ☐ No ☐

9. At what level would you place your position in the company?

Lower management level
Middle management
Senior management level
Management advisor/staff specialist
Other (please specify) -----

10. In what function do you work most of the time?

General/Strategic management
Production/Engineering
Sales and Marketing
Finance and Accounting
Research & development, design, etc
Human resource management/labour relations
Information technology
Other (please specify) -----

I would very much appreciate any comments you would like to make that would be relevant to the subject of the questionnaire. Please use the space overleaf for that purpose.

I am most grateful for your contribution to this research

Appendix 4: Interview Guides

a) Interview Guide for Human Resource Managers

- Could you please explain how do you assess performance of managers?
- How do you use performance appraisal information in identifying development needs of managers?
- How do you record development needs during the performance appraisal?
- How do you use succession planning information in identifying development needs? (If succession plans are available)
- How do you think succession plan will help in identifying development needs? (If succession plans are not available)
- How do you react to requests?
For example: -requests received informally from managers/managers' immediate boss
- Please specify any other methods you use to identify development needs of managers? (other than performance appraisal, succession plan, requests)
- How do you keep personnel records of managers?
- How do you keep/update development records of managers?
- How do you prioritise demand for development activities? -based on what criteria?
- How do you set objectives for development needs? -based on what criteria?
- How do you use the set objectives throughout the development effort?
- How far do you involve in providing MD activities? (designing and implementation)
- How far do you involve in validating/evaluating MD activities?
- How do top management support MD?
- How do you contribute to company decision-making process? (participation/acceptance of suggestions, etc)

b) Interview Guide for Managers

- How does your company identify your current (& future) development needs?
- How do you feel about development opportunities you have had so far?
For example: - experience in development opportunities received
- How do you feel about using the knowledge, skills, attitudes you acquired through development activities in real work situations?
- How do HR personnel facilitate your learning?
For example: -identifying needs
-administering MD activities
-transferring skills
- How do senior managers/head of the department facilitate your learning?
- How do top management support your learning?
- How does your company obtain your views on development opportunities you have been provided?

Appendix 5: Tables of Data Analysis

Table 1: Least significant differences of the identification of development needs

Multiple comparisons of ownership types		Mean difference	Sig.
Local	Foreign	-0.2260	0.355
	Collaborated	-0.6875*	0.011
Foreign	Local	0.2260	0.355
	Collaborated	-0.4615	0.095
Collaborated	Local	0.6875*	0.011
	Foreign	0.4615	0.095

*. The mean difference is significant at the 0.05 level

Table 2: Frequency of identifying development activities connected to strategy

How often do managers go through MD activities	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Just after recruited to a managerial position	C %	10 12.8	13 16.7	29 37.2	15 19.2	11 14.1	78 100.00	2.95	1.20
Before being given promotions	C %	6 7.8	18 23.4	32 41.6	15 19.5	6 7.8	77 100.00	3.04	1.03
Before being given salary increments	C %	5 6.5	10 13.0	25 32.5	25 32.5	12 15.6	77 100.00	2.62	1.10
After a certain period of service as a manager	C %	5 6.6	12 15.8	25 32.9	20 26.3	14 18.4	76 100.00	2.66	1.15
To address specific company issues	C %	11 14.3	30 39.0	29 37.7	2 2.6	5 6.5	77 100.00	3.52	0.99

C= Count, %= valid percentage values for 78 respondents

Source: Survey data, 2001

Table 3: Existence of succession plans for managers

Item	C, %	Yes	No	Total
Does your company have a succession plan for managers	C	39	39	78
	%	50.0	50.0	100.00

C= Count, %= Percentage

Source: Survey data, 2001

Table 4: Existence of performance appraisal for managers

Item	C %	Every 6 months	Every year	Every 2 years	More than 2 years	Never	Total	Mean	STD
How often do you appraise performance of managers	C	10	62	3	2	1	78	3.59	0.92
	%	12.8	79.5	3.8	2.6	1.3	100.00		

C= Count, %= Percentage

Source: Survey data, 2001

Table 5: Existence of databases

Item	C, %	Yes	No	Total
Does your company have a development database for managers	C	32	46	78
	%	41.0	59.0	100.00

C= Count, %= Percentage

Source: Survey data, 2001

Table 6: Validation of identified development needs

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
How often does your company validate development needs	C	8	28	28	8	6	78	3.31	1.05
	%	10.3	35.9	35.9	10.3	7.7	100.00		

C= Count, %= Percentage

Source: Survey data, 2001

Table 7: Least significant differences of designing and planning development activities

Multiple comparisons of ownership types		Mean difference	Sig.
Local	Foreign	-0.8245*	0.006
	Collaborated	-1.3438*	0.000
Foreign	Local	0.8245*	0.006
	Collaborated	-0.5192	0.118
Collaborated	Local	1.3438*	0.000
	Foreign	0.5192	0.118

*. The mean difference is significant at the 0.05 level

Table 8: Least significant differences of designing and planning formal development activities

Item	Multiple comparisons of ownership types		Mean difference	Sig.
Job redesign methods	Local	Foreign	-0.8341*	0.002
		Collaborated	-0.8188*	0.004
	Foreign	Local	0.8341*	0.002
		Collaborated	0.0154	0.957
	Collaborated	Local	0.8188*	0.004
		Foreign	-0.0154	0.957
Development activities within job	Local	Foreign	-0.6058*	0.018
		Collaborated	-0.7250*	0.009
	Foreign	Local	0.6058*	0.018
		Collaborated	-0.1192	0.673
	Collaborated	Local	0.7250*	0.009
		Foreign	0.1192	0.673
Development activities external to job	Local	Foreign	0.0240	0.934
		Collaborated	0.0125	0.968
	Foreign	Local	-0.0240	0.934
		Collaborated	-0.0115	0.972
	Collaborated	Local	-0.0125	0.968
		Foreign	0.0115	0.972
Self-development methods	Local	Foreign	-0.8648*	0.001
		Collaborated	-1.1532*	0.000
	Foreign	Local	0.8648*	0.001
		Collaborated	-0.2885	0.320
	Collaborated	Local	1.1532*	0.000
		Foreign	0.2885	0.320

*. The mean difference is significant at the 0.05 level

Table 9: Subscribing to magazines

Item	C, %	Yes	No	Total
Subscribing to magazines	C	80	138	218
	%	36.7	63.3	100.00

C= Count, %= valid percentage values for 219 respondents

Source: Survey data, 2001

Table 10: HR managers' involvement in discussing results of development needs analysis with other affected parties of the organisation

Item	C, %	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Discuss with affected parties	C	13	33	17	4	8	75	3.52	1.17
	%	17.3	44.0	22.7	5.3	10.7	100.0		

C= Count, %= valid percentage values for 78 respondents

Source: Survey data, 2001

Table 11: Least significant differences of the administration of development activities

Multiple comparisons of ownership types		Mean difference	Sig.
Local	Foreign	-0.6250	0.058
	Collaborated	-1.1750*	0.001
Foreign	Local	0.6250	0.058
	Collaborated	-0.5500	0.136
Collaborated	Local	1.1750*	0.001
	Foreign	0.5500	0.136

*. The mean difference is significant at the 0.05 level

Table 12: HR managers' involvement in the pre-administration of development activities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Contact managers	24.7	28.6	20.8	22.1	3.9	100.0	3.48	1.19
Contact providers of development activities	19.5	23.4	26.0	23.4	7.8	100.0	3.23	1.23

Source: Survey data, 2001

Table 13: HR managers' involvement in the post-administration of development activities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Get confirmation	27.3	35.1	24.7	7.8	5.2	100.0	3.71	1.11
Amend records	26.0	36.4	18.2	14.3	5.2	100.0	3.64	1.17

Source: Survey data, 2001

Table 14: Validation of management development activities (in percentages)

How often does your company get feedback from:	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Managers themselves	23.1	42.3	23.1	5.1	6.4	100.0	3.71	1.08
Managers' immediate superior	19.2	35.9	32.1	9.0	3.8	100.0	3.58	1.03
Trainers	10.4	22.1	27.3	20.8	19.5	100.0	2.83	1.27

Source: Survey data, 2001

Table 15: Managers' responses to development activities they have experienced
(in percentages)

Item	5 Very satisfied	4	3	2	1 Very unsatisfied	Total	Mean	STD
Relevance to job	17.1	41.0	27.6	11.0	3.3	100.0	3.58	1.00
Relevance to career development	22.3	41.2	24.6	9.0	2.8	100.0	3.71	1.00
Confidence to use skills	26.2	50.5	20.0	3.3	--	100.0	3.99	0.77
Duration of activities	7.2	29.2	34.0	23.0	6.7	100.0	3.31	3.67
Time received to practice skills	6.2	28.6	44.3	17.1	3.8	100.0	3.16	0.91

4= Satisfied, 3= Moderate, 2=Unsatisfied

Source: Survey data, 2001

Table 16: Validation against development activities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Revise development activities	11.5	42.3	28.2	6.4	11.5	100.0	3.36	1.14
Cancel development activities	2.6	23.1	35.9	21.8	16.7	100.0	2.73	1.08

Source: Survey data, 2001

Table 17: Validation against actual usage of skills at workplace (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Validation against actual usage	15.4	32.1	33.3	10.3	9.0	100.0	3.35	1.14

Source: Survey data, 2001

Table 18: Evaluation of development activities at different levels (in percentages)

Item	5 Very satisfied	4	3	2	1 Very unsatisfied	Total	Mean	STD
On individual	2.6	57.7	26.9	9.0	3.8	100.0	3.46	0.85
On department/ section	6.4	41.0	38.5	12.8	1.3	100.0	3.38	0.84
On company	6.6	25.0	53.9	13.2	1.3	100.0	3.22	0.81

4= Satisfied, 3= Moderate, 2=Unsatisfied

Source: Survey data, 2001

Table 19: Managers' views on learning transfer (in percentages)

Item	5 Very satisfied	4	3	2	1 Very unsatisfied	Total	Mean	STD
Actual usage at workplace	9.0	35.7	39.0	12.9	3.3	100.0	3.53	2.96
Ease of transfer	12.4	37.1	37.6	9.5	3.3	100.0	3.46	0.94
Help received from immediate superior in transfer process	12.3	39.2	30.2	14.2	4.2	100.0	3.41	1.01
Help received from HR personnel in transfer process	10.4	24.6	33.2	17.1	14.7	100.0	2.99	1.19

4= Satisfied, 3= Moderate, 2=Unsatisfied

Source: Survey data, 2001

Table 20: Assistance provided by HR managers in learning transfer (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Help given to managers in learning transfer	10.3	20.5	30.8	19.2	19.2	100.0	2.83	1.25

Source: Survey data, 2001

Table 21: Existence of HR policies

Existence	To promote managers		To move cross-functionally		Develop before being given promotion		Number of development opportunities	
	C	%	C	%	C	%	C	%
Yes	62	79.5	30	39.0	40	51.9	22	29.7
No	16	20.5	45	58.4	35	45.5	51	68.9
Don't know	--	--	2	2.6	2	2.6	1	1.4
Total responses	78	78	77	100.0	77	100.0	74	100.0

C= count, %= percentage

Source: Survey data

Table 22: Priority given in company budgets (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Priority given in company budgets	10.3	28.2	39.7	21.8	--	100.0	3.27	0.92

Source: Survey data, 2001

Table 23: Managers' views on development opportunities received since joined the company

Item	C, %	Yes	No	Total
Have you received development opportunities since you joined the present employer	C	204	15	219
	%	93.2	6.8	100.00

C= Count, %= Percentage

Source: Survey data, 2001

Table 24: Number of times managers have received development opportunities
(in percentages)

Item	More than 10 times	8 to 10 times	5 to 7 times	Less than 4 times	Never	Total
Number of times you have been provided with development opportunities	9.1	5.0	21.0	58.0	6.8	100.0

Source: Survey data, 2001

Table 25: Last time managers had received any formal development opportunity
(in percentages)

Item	Currently receiving	Less than 1 year ago	1 to 2 years ago	More than 2 years ago	Total
When did you last received any formal development activity	26.3	40.2	20.6	12.9	100.0

Source: Survey data, 2001, November

Table 26: Managers' satisfaction regarding development opportunities they have had received
(in percentages)

Item	Very satisfied	Satisfied	Moderate	Unsatisfied	Very unsatisfied	Total	Mean	STD
Satisfaction	18.3	33.9	26.1	16.1	5.5	100	3.44	1.13

Source: Survey data, 2001

Table 27: Encouragement managers have had received to participate in development activities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Encourage development	16.0	31.1	32.4	8.2	12.3	100.0	3.30	1.20

Source: Survey data, 2001

Table 28: Frequency of development opportunities are postponed or cancelled
(in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Cancelled (reverse scale)	1.3	12.8	41.0	34.6	10.3	100.0	3.40	0.88

Source: Survey data, 2001

Table 29: Frequencies of managers are pulled-out or prevented from undertaking development activities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
HR personnel's view								
Managers are pulled out (reverse scale)	5.1	17.9	34.6	30.8	11.5	100.0	3.26	1.05
Managers' views								
Prevented from undertaking development opportunities (reverse scale)	7.3	21.5	28.8	21.0	21.5	100.0	2.72	1.23

Source: Survey data, 2001

Table 30: Frequencies of managers are promoted without providing adequate development opportunities (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
HR personnel's view								
Promoted without adequate development (reverse scale)	3.9	11.7	37.7	35.1	11.7	100.0	3.39	0.98
Managers' views								
Provided development opportunities before promotion	6.0	23.7	37.7	18.1	14.4	100.0	2.89	1.11

Source: Survey data, 2001

Table 31: Frequencies of managers have been rewarded for their dedication for development (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
Managers are rewarded	7.8	28.3	32.0	15.1	16.9	100.0	2.95	1.19

Source: Survey data, 2001

Table 32: Frequencies of HR personnel have been rewarded for their dedication to develop managers (in percentages)

Item	Always	Often	Some times	Almost never	Never	Total	Mean	STD
HR personnel are rewarded	9.0	17.9	29.5	32.1	11.5	100.0	2.81	1.14

Source: Survey data, 2001

Table 33: Least significant differences of provision of library facilities

Multiple comparisons of ownership types		Mean difference	Sig.
HR managers' views			
Local	Foreign	-0.3053	0.303
	Collaborated	-0.7938*	0.015
Foreign	Local	0.3053	0.303
	Collaborated	-0.4885	0.145
Collaborated	Local	0.7938*	0.015
	Foreign	0.4885	0.145
Managers' views			
Local	Foreign	-0.3500	0.061
	Collaborated	-0.4177*	0.040
Foreign	Local	0.3500	0.061
	Collaborated	-0.0677	0.760
Collaborated	Local	0.4177*	0.040
	Foreign	0.06769	0.760

*. The mean difference is significant at the 0.05 level

Table 34: Least significant differences of managers are pulled out from development activities

Multiple comparisons of ownership types		Mean difference	Sig.
Local	Foreign	0.6995*	0.010
	Collaborated	0.0812	0.777
Foreign	Local	-0.6995*	0.010
	Collaborated	-0.7808*	0.011
Collaborated	Local	0.0812	0.777
	Foreign	0.7808*	0.011

*. The mean difference is significant at the 0.05 level

Appendix 6: Exhibits

Exhibit 1: Progress review criteria

Critical Success Factors - CSF

Lanka Garments Industries Pvt. Ltd.

CSF 1 - Productivity

Strategy	Performance Measure	Target	Review Date
Improve Efficiency	Off Line Efficiency	52%	Monthly
Improve Fabric Yield	Marker efficiency	90%	Quarterly
Effective Cost Management	Over Time Cost	Budget	Monthly
Effectiveness of the Production Process	Cut ship ratio	99%	Monthly
Upgrade M/c & Equipments	M/c Down Time	<1%	Monthly
Skill Upgrade	Skill Inventory	80% MO>60%Eff.	

CSF 2 - Customer Satisfaction

Strategy	Performance Measure	Target	Review Date
Improve Order Performance	Ship / Order Qty	100%	Monthly
	On time Delivery	100%	Monthly
Timely Samples as per Buyers' Specs.	Sample Hit rate	100%	Monthly
Communication / Fast Response			

CSF 3 - Contended & task Oriented Labour Force

Strategy	Performance Measure	Target	Review Date
Minimize the Capacity Loss - Maintain the Manning Level	Labour T/O	4%	Monthly
Increase Attended Bonus:	Bud. manning	100%	Monthly
Strong Middle Management	Absenteeism	6%	Monthly
Increase Welfare activities & Facilities			

CSF 4 - Consistance High Quality

Strategy	Performance Measure	Target	Review Date
Cost of Quality	In Line Rejects	AQL 1.5	Monthly
Implement Statistical Process Control Methods.	End Line Rejects	AQL 2.5	Monthly
	1st Time Pass Rate	100%	Per Order
RM Inspection System	Fab Damage Rejects	0%	Per Order

CSF 5 - Higher Earn Minute Value

Strategy	Performance Measure	Target	Review Date
Improve the Marketing Process to Maximize Profits	Std Minute Earning	\$0.08 / Min	Monthly
	Pre Cost / Post Cost	error = 1	Quarterly
Better Sourcing of RM - Reduce RM cost			
Re - Engineer the Garment	Reduction of SMV	10%	

Exhibit 2: Needs analysis

Training Needs Analysis

Lanka Garments - Ratmalana

No	Name of Participant	Designation	Required Technical Skills	Remarks
1	Chandradasa De Mel	Cutting Room Manager	* Business English * Fabric Technology * Management Development * Leadership & Decision making	
2	Jayantha Gamage	Cutting Supervisor	* Advance Pattern making * Business English * Supervisory management	
3	P.Fonseka	Cutter	* Fabric defects Identification * Communication * Business English	
4	SamPATH Pushpakumara	Cutter	* Fabric defects Identification * Communication * Business English	
5	Chandrapala Fernando	Cutter	* Fabric defects Identification * Communication * Business English	

Exhibit 3: Development record (1)

UNION APPARELS (PVT) LTD

QUALITY MANUAL LEVEL -2

Record No: TR/R/2

Date issued : 30/07/1998

Revision No : 00

Page : 1 of 1

Training Card / Employees Record Format.

FULL NAME	Nishantha Jayasinghe
DEPARTMENT	Human Resources Dep.
ADDRESS	
E.P.F.NO	

EMPLOYMENT RECORD AND TRAINING COURSES CONDUCTED

[illegible]

Author	<i>[Signature]</i>	Human Resource Manager.	Date 6/6/98
Approved By	<i>[Signature]</i>	Dir./General Manager.	Date 6/7/98

Exhibit 4: Development record (2)

HED / ID / R / 18.3.1

QUALITY CONTROLLERS TRAINING RECORDS

R 18.3.1

First Stage

Joined Date	Name	Assesment				Total Marks	Released To Stage II	Date	Authorized By
		Excell	V. Good	Average	Poor				
		(100-75)	(74-50)	(49-35)	(>34)				

Second Stage

Joined Date To Stage II	Name	Assesment				Total Marks	Released To Stage III	Date	Authorized By
		Excell	V. Good	Average	Poor				
		(100-75)	(74-50)	(49-35)	(>34)				

Third Stage

Joined Date To Stage III	Name	Assesment				Total Marks	Released To Production line		Handled over Date	Handled over Date	Authorized By
		Excell	V. Good	Average	Poor		Y	N			
		(100-75)	(74-50)	(49-35)	(>34)						

Date :

Prepared By :

Training Officer

Date :

Approved By :

Training Manager

Reviewed By : Management Representative

Signature :

Approved By : Group General Manager

Signature :

Exhibit 5: Procedure for the design and delivery of development programmes

UNION APPARELS (PVT) LTD

QUALITY MANUAL LEVEL-2

Clause No:4.18 ISO9002 TR /QAP/ 28

Date issued : 07/06/2001

Revision No : 01

Page : 1 of 2

Subject : Procedure For Training .

Objective : The objective of the procedure is to upgrade the skills of the employees to perform their duties at maximum levels.

Scope : Procedure include Training for Production/ Merchandising / Stores / Quality Control & other related Management areas.

Responsibility & Authority : Human Resources Manager.

- Procedure :
- 1 Human Resources Manager should send assessment forms for employees annually, to all Departmental Heads requesting to asses and identify the training needs of the employees.
 - 2 The completed TR/R/1 forms shall be forwarded to the Human Resources Manager.
 - 3 The Human Resources manager shall study the completed information.
 - 4 Human Resources manager will make a training plan for the coming year , in considering the requirement of the departmental heads and also the company needs.
 - 5 The prepared plan shall be circulated among all Departmental Heads for their information.

Author

G. Human Resources Manager.

Date 07/06/2001

Approved

G.General Manager.

Date 07/06/2001

Subject : Procedure For Training .

- 6 The said plan shall be discussed at review meetings for improvements.
- 7 Human Resource Manager shall implement the said training plan
- 8 Human Resource Manager has the responsibility to identify Ad - hoc type of training depending on the needs of the company activities.
- 9 Human Resources manager shall obtain a feed back report only from the employees who have undergone an external training program
- 10 For all new recruits, Human Resources Manager shall conduct approximately one-hour program to explain the applicable documents such as work instructions procedures, forms depending on the type of the category of employment.
Once the recruits are assigned for the jobs departmental Heads shall train them about the use of quality system documents apart from the normal on the job training activity.
- 11 Human Resources Manager shall maintain all training records.

Reference: Assessment Form (TR/R/1)
 Training Card or Employees Record (TR/R/2)
 Induction Record (TR/R/3)
 Evaluation Feed Back Form (External) (TR/R/4)

Author		G. Human Resources Manager.	Date 07 / 06 / 2001
Approved		G.General Manager.	Date 07 / 06 / 2001

Exhibit 6: Preparation of plans

H&D / TD / F / 18 - 12

TRAINING PLAN.

Pl. 18.4.1

Month	Objectives	Target group	Resources Person	Probable Training Method	Venue	Probable Training Date	Cost	Responsibility

Date : _____

Prepared by: _____
Training Manager

Date : _____

Authorized by : _____
Group Human Resources Manager

Date : _____

Approved By : _____
Managing Director

Reviewed By : Management Representative

Signature

Approved By : Group General Manager

Signature

Exhibit 7: Evaluation feedback

UNION APPARELS (PVT) LTD. QUALITY MANUAL - LEVEL 3

INTERNAL QUALITY AUDITING
AS PER ISO 9000 STANDARDS
1999-3-29 to 1999-3-30.

Record No TR/ R/4

Date Issued 30/07/1998

Revision No 00

Page 1 of 1

Subject : Evaluation Feedback for External Training

The Seminar was	Excellent ()	Good ()	Satisfactory <input checked="" type="checkbox"/>	Sub-Standard ()
The Material was	Excellent ()	Good ()	Satisfactory ()	Sub-Standard <input checked="" type="checkbox"/>

The Instructor was	Very Detailed ()	Moderate <input checked="" type="checkbox"/>	Not Clear ()	Not properly laid out ()
--------------------	-------------------	--	---------------	---------------------------

The Pace was	Correct ()	Too Fast ()	Fair <input checked="" type="checkbox"/>	Too Slow & Boring ()
--------------	-------------	--------------	--	-----------------------

Would you recommend this Programme to others	Yes			
--	-----	--	--	--

What areas covered do you feel will be particularly beneficial to your performance in your job and there by benefit the Organisation.

How to conduct proper ISO audit and the theoretical background on ISO 9001 series.

Do you feel you could instruct your subordinates on what has been learnt by you, during this Workshop/ Seminar	Definitely	Some what	Not relevant
--	------------	-----------	--------------

Was there time allowcated for a PANEL DISCUSSION?	YES	NO
---	-----	----

What areas were cleared during this Panel Discussion?

Identifying of Non conformances during audit

Any other Comments

- Type of Training
- Name of the Participant
- Department Participant

LIBRARY OF
MANCHESTER

Signature & Designation of

the Participant.

FINANCE MANAGER

Author.		Human Resources Manager	Date / /
Approved By		DIR/ General Manager	Date / /