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Assessing the value of corporate-sponsored management development programmes to the sponsoring company: what's the research evidence?

Abstract

This paper will conduct a short literature review in order to examine the research evidence for sponsored management development programmes creating value for the sponsoring company. To do so it will survey the current approaches, methods and controversies present within the research field on this issue. It begins by positing two major types of research on this issue, normative and descriptive, before focusing the review more carefully through identification with one particular key stakeholder, the sponsoring company, and then by examining the complexities that different units of analysis in research have brought to the field. It concludes that there is no cut-and-dried 'proof' of the value-creation effect of any particular programme which is then transferable across all programmes, industries and contexts, but that the surrounding circumstantial evidence, with both a broader and a narrower focus, shows a highly positive relationship between management development programmes and value-add for sponsoring companies.

Proving or improving?

It is important at the outset to distinguish between two distinct, but related, areas of research work that has been undertaken on the issue of 'value' in relation to management development programmes, or human resource development (HRD), as it is often termed. These can be summarised as:

- **Normative research**

  This type of research is aimed at delineating *how* best to introduce and implement a sponsored management development programme, and *what* type of programme is most suitable for a particular requirement. This kind of research is often conducted under the banner *strategic* human resource development (SHRD). The outputs of this type of research are aimed at informing such variables as what organizational processes, directions of investment, and kinds of support are most correlated with success, as defined by the sponsoring organization's strategic goals. There is now a considerable academic literature in this area, led by the work of Chris Mabey of Birkbeck College (Grieves, 2002; Lundy and Cowling, 1996; Mabey, 2003; Mabey and Salaman, 1995; Patching, 1999; Thomson, *et al.*, 1998; Thomson, *et al.*, 2001). One way of viewing this type of research is to see it as *improving* the selection and provision of management development by corporations.

- **Descriptive research**

  This is research aimed at describing the *results* of HRD programmes, and placing some 'valuation' on the *impact* which programmes have on some organisational measure, be it a financial return, a perception of value-add, or other metrics. One way of viewing this type of research is to see it as *proving*, or attempting to prove, the value of management development to corporations.

There are clearly overlaps between the normative and descriptive areas, particularly because, in order for normative research work to take a view on what managerial policies and processes might be of most 'value', it must have some sense of what the relative 'value' has 'proved' to be for programmes managed by different policies. It must also be noted at this point that there is a slight tendency towards circularity of definition in some of the strategic HRD research, which somewhat muddies the picture. As a single specific example, Kessels and Harrison (1998) find that 'external consistency', that is, "the degree to which the perceptions of key stakeholders as to the goals and aims of the programme are aligned" (39), is the primary determinant of success for management development programmes. Yet their measure of success is based on the perceptions of major (individual) stakeholders of the programme's impact on individuals and the business. If the major stakeholders have different views of success there will be less consistency in their answers on any particular programme (because no programme can meet 'all' definitions of success) leading to the definition of success in terms of consistency of views, and how consistently people rated a programme as successful *defining* consistency of views. This example is presented to show that to create any sound basis for normative action, some definition or *description* of success <u>that is not defined in relation to that action</u> must be posited.

This paper therefore concentrates on research that attempts to demonstrate success and value in exactly that form, and it is the *descriptive* category of research mentioned above which most directly seeks to define and *prove* the 'value' of management development programmes to organizations.

Value for whom?

Firstly, however, the question of 'for whom' value is being created must be addressed, as this is very much a live issue in the HRD research arena. More than twenty years ago, Alisdair Mant (1981) noted that 'value' in the sponsored management development relationship could be perceived and conceived from the perspective of any one, or combination, of three major stakeholders – the individual undertaking the course; the course provider; and the sponsoring company (38, see also **Fig 1** below).

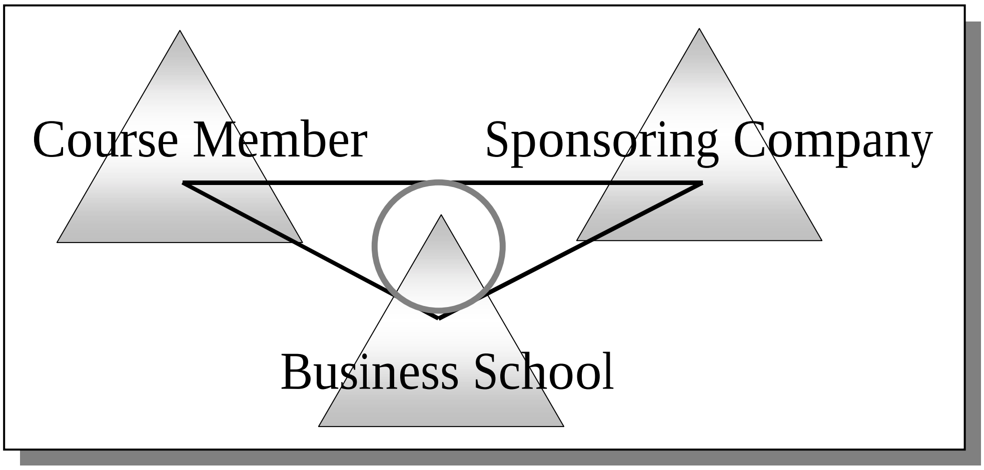

Fig 1. The triangle of key stakeholders in the management development relationship (adapted from Mant, 1981: 38)

Of course, there is no guarantee that creating value for one stakeholder will have the same positive effect for the others, and indeed it could be suggested that in some cases value can only be created for one stakeholder at the expense of others. As Lees (1992) notes, much of the ambiguity in evaluating sponsored management development springs from the 'difficulty of trying to manage some kind of accommodation between the various stakeholders' (139).

Since Mant's work, especially around qualification-based management development programmes such as the MBA, a whole popular industry designed to 'measure' the 'value', and by implication the 'quality' of MBAs has evolved. Particularly influential are the *Financial Times* and the *Business Week* annual MBA rankings, but Crainer and Dearlove

(1998) in a survey discover 34 separate MBA rankings, each with different measurement criteria. In order to distinguish themselves, it might be tentatively suggested that some ranking systems have strayed from the core ‘value-creating’ issues, especially when it is considered that even the most respectable rankings now use criteria ranging from ‘pre- and post-MBA salaries’ to ‘the quality of the lunches provided at the business school’ (Bahra, 2000). What should be clear from even a cursory glance at such popular rankings is that they ignore Mant’s (1981) conception of three inter-linked stakeholders, and focus almost exclusively on measuring benefits to the individual MBA learner.

Even those studies of MBA value of a more academic nature have tended to be skewed towards assessing benefits for individuals undertaking the course, although the value of the conclusions for organizations are worth considering, if we accept at face value the conception that if the individual feels that have gained from being sponsored on the MBA, they are more likely to stay with the sponsoring company, work harder etc. For example, Tracy and Waldfogel (1997) compare the impact of different business schools on the value of an MBA qualification, and Baruch and Peiperl (2000) compare the impact on individual careers between groups of MBAs and groups of non-MBAs at similar levels within organizations. Tracy and Waldfogel's (1997) conclusions, that certain less well-known business schools with less glittering reputations than the Ivy League schools are more ‘value-add’ for the individual may still be of some interest to the corporate sponsor looking for a cost-effective solution, and, again, despite its individual learner-value focus Baruch and Peiperl's (2000) findings might usefully be compared by a sponsoring company to Tracy and Waldfogel’s, because Baruch and Peiperl find few direct career advantages for individuals three years after taking an MBA from a mid-range school, as compared to similarly placed employees who do not undertake the course.

Again working on the logic that positive results for the individual may well result in positive returns for the organization, several other research findings focusing on individuals should be considered, in particular Dugan *et al.* (1999) finding that MBA graduates are more likely to be better paid, promoted faster and given greater managerial responsibility earlier, and Schofield's (2000) survey showing that managers rated the MBA as the best of all management qualifications on 11 of 12 criteria, including employability, getting the respect of one’s colleagues, and developing leadership skills. Sponsoring people on MBAs then, can generally be seen to be viewed positively by the individuals concerned, and this may well have a knock-on effect on 'value' for the organization. But to make this conclusion is clearly to make a considerable leap of faith that advantages for individuals and organizations are always aligned. Particularly salient for sponsoring companies in this regard is the issue of the 'self-fulfilling prophesy' (Larsen, *et al.*, 1998) which suggests that MBAs may be making positive progress in the organization *because* they are MBAs, and not because they are adding value to the organization. As Baruch and Peiperl (2000: 80) summarise:

> '*It may be that those who evaluate and reward managers with MBAs are more likely to ensure that their performance is rewarded, perhaps because of a fear that, otherwise, they would be faster than others to leave.*'

What this issue underlines is the centrality, when interpreting and making good use of the research data, of understanding for whom 'value' has been conceived.

As has been shown, much of the assessment of the value of particular types of courses (in this case the focus has been on the MBA) has been conducted with the 'value' to the individual in mind, and not other stakeholders in the HRD relationship. However, a brief survey of this literature has uncovered some important aspects of the conclusions of such research that can be considered at least as circumstantial evidence for assessing the value of such courses to organisations, and has also served to highlight some of the methodological problems and pitfalls that have tended to force studies interested in 'value', and particularly monetary value, towards a 'individual learner' conception of that value. Therefore, despite Mumford's (1997) lament on reviewing literature of the kind presented above that there is only 'extremely scanty' evidence that management development influences business' bottom line, there *is* now a considerable body of work which attempts to tackle the issue of the 'value' of management development programmes from the organization's perspective, and it is this research which will now be examined.[1]

[1] It is worth noting at this point that there is an, admittedly smaller, proportion of research aimed at investigating HRD value from the business school's perspective. One interesting example whose results might be seen to have at least tangential implication for corporate HRD sponsors is Trieschmann et al., (2000) who note that those business schools with the best research ratings are not, statistically, those with the best MBA performance.

Global or local focus?

So far this paper has focused on research related to the value of HRD programmes by delineating a conceptual difference between descriptive and normative studies, and it has then further sharpened its focus to show that there are three major stakeholders for whom research may conceptualise value. Research on the individual stakeholder has been outlined above, and now this section will be centred on descriptive studies conceiving value from the organisation's perspective, by making a further distinction in the research studies according to the research's 'breadth of focus', or unit of analysis. **Fig 2** below shows four distinct conceptions of value to the organisation separated by unit of analysis, from the broadest identification the somewhat global assessment of 'the value of learning in general to businesses', through 'the value of HRD and management development as a policy to businesses in general', then to 'the value of a specific type of programme to businesses in general', and finally to the more local 'the value of a single programme to a single company'. Any comprehensive review of the literature would require an investigation of research work at each of these levels.

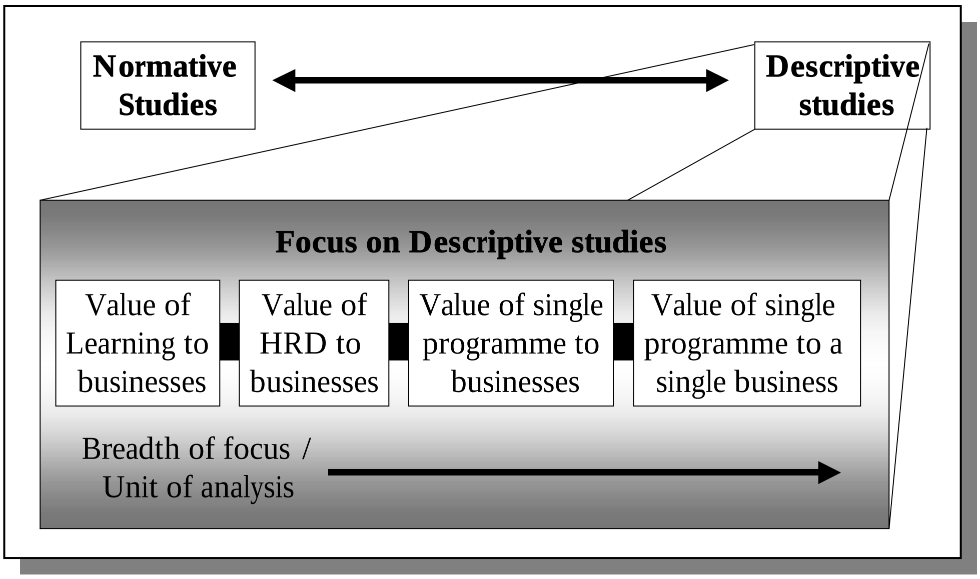

Fig 2: A taxonomy of research studies on the 'value' of HRD programmes, focusing on descriptive studies

- The value of learning to businesses

There is, with a few notable exceptions (see, for example, Fox, 1989; Grey, 2001[2]) a relatively rare academic consensus on the importance and centrality of learning to achieving success in business and management. To propose that 'learning' must be a central competency of organizations has now become both axiomatic and somewhat clichéd, with the following being only a tiny smattering of positive opinion on the importance of learning and development for organisational competitive advantage: Argyris (1992), Collis (1994), Grant, (1996), Kilmann, (1996), Nonaka and Tacheuchi, (1995), Olian *et al.*, (1998), Schein, (1996) and Senge, (1990), amongst many others. However, despite the encouraging academic and theoretical background that such research gives in terms of supporting the proposition that there is a value to organizations of having a culture which has a positive attitude to learning and development, in terms of offering a concrete 'valuation' or 'evaluation' of management development such a broad focus leaves much to be desired. It is incapable of distinguishing, for example, if all learning, for example, leads any *particular* organization in the right direction, or whether learning which is formally instituted, for example by an HRD department or undertaken at a business school, is any more effective than the learning that some theories (see, for example Wenger, 2000) tell us takes place for everyone through their everyday actions and interactions at work. Also, a lot of this work is reticent about its particular measures of 'value' or, 'success', plus it must be acknowledged that the utilisation of such a broad unit of analysis renders little chance of value assessment at a specific monetary or 'ROI' calculation level. Digging down from a unit of analysis of 'all learning' for 'all businesses' then, we reach research which examines the value of HRD, that is, the use of formal training courses and programmes organized by business for their employees, for businesses.

- The value of HRD to businesses

Studies at this level of focus themselves falls broadly into two categories: those which attempt to link certain HRD policies and practices to financial business performance indicators; and those which draw on perceptual measures.

[2] Even Fox and Grey, it should be noted, are not in fact 'against learning' per se, although they do present strong critiques of the whole way that it is currently conceptualised in relation to management development.

Having turned to focus inward on the link between HRD and success, it may be instructive, when looking at financial indicators, first to pull the focus back ever so slightly to examine the evidence of links between people management policies, that is, HR policies, and financial performance. Huselid (1995) has undertaken large-scale survey research in the US which linked ‘progressive’ HR policies, (which is what he terms relatively people-centric policies with a strong focus on employee development) with superior financial performance at an overall business level, and his research, and its positive findings, are supported by work undertaken in the UK by Guest (1997). Similar research undertaken in a study of 67 UK manufacturing companies offers positive comparative data, suggesting that a progressive HR policy and practice was a better predictor of profitability and productivity than several other factors which were investigated including variations in business strategy, the degree of focus on quality issues, and the amount invested in technology or R&D Patterson *et al.* (1997). Perhaps most salient to the issues in question here is the finding that, of the various aspects of what was termed ‘progressive HR policies’, it was the degree of concentration by the firm on application and development of workforce skills that was most highly correlated with the outcome measures of profitability and productivity.

So, having noted the general positive impact of a business’ concentration on HRD on financial performance, that is, its general HR policies and processes, we can also now note that, in a similarly crude overall correlation, research studies, for example Mason *et al.* (1996) and Prais (1995) have shown that the level of investment in HR and people development programmes is positively related to financial performance such as share price and profitability (see also Mabey, 2003). If we make another small twist of the focal lens, there is also evidence that competitive advantage, admittedly not a directly financial measure, but often associated with financial success, can be gained through HRD investments. Lado and Wilson (1994) find that those businesses attempting to develop people in what are specifically recognised by the organisation as its core competencies showed competitive advantage over those in their market that did not, and Winterton and Winterton (1997) assessing MBA programmes specifically, found that the most value was created for organizations which specifically instructed their education providers in which competencies to educate their employees. However, at this point we have moved slightly both from the focus on *financial* measures of success, and also somewhat towards measures of success which are related to specificity of outcome, that is, the degree of prior agreement on expected outcomes. This might be said to infringe some of the 'circular' definitions of success and approach that have sometimes characterised the normative approaches. The *normative* approaches have also tended to rely on perceptual measures of value, that is, success and value-add are attributed if key stakeholders, such as course participants and HRD professionals 'rate' a programme as successful.

The 'burden' of proving financial ROI on HRD has often proved too much for the research methodologies currently available for *descriptive* studies as well, and the results of attempts to calculate ROI in a meaningful sense have been too intangible or slippery, and therefore perceptual measures of success have also been used in to calculate the impact of HRD on businesses in those descriptive research studies. Perhaps part of the reason for the popularity of such studies is their relatively unequivocal endorsement of HRD investments in general. A large-scale survey of 127 UK firms conducted for the UK government, for example, showed every respondent felt that there had been some positive, and no negative impact on their firm as a result of HRD programmes sponsored by their organisation (DfEE, 1998 see also Thomson *et al.*, 2001: 160-70). Also worth noting at this point, despite its sample of course participants rather than course sponsors, is a 1993 UK survey which questioned 4000 employees on the impact of the training they had received. 94% felt that their HRD courses had been beneficial in terms of (one of) achieving a qualification, gaining a promotion, an increase in earnings, but also an increase in job satisfaction or commitment (Gallie and White, 1993, see also Heyes and Stuart, 1996). Therefore, at the level of focus of the impact of HRD on business in general there appears to be both financial and perceptual evidence of the positive effects of HRD programmes.

- **The value of single programmes to businesses**

Producing 'proof' of the direct value of a single type of course to business is probably seen as the 'Holy Grail' (Moyler, 2000) of HRD and management development evaluation. The benefits of such a connection would be obvious – if a course works for a company, then the same course should also have benefits for another organization. However, like the Holy Grail, the whereabouts of a method reliable beyond question for research at this level of focus is unknown (Currie, 1994). Most leading evaluation theorists suggest that those attempting evaluation should concentrate their efforts on the even tighter-focused level of analysis below, the situated example of a type of course with a particular company (Patton, 1997; Phillips, 1997). There are some exceptions (see, for example, Fitz-Enz, 1990) but these tend to duck the methodological problems altogether and assume that ‘value-add’ from a training programme can be reduced to single quantitative measures of ‘before-after’ impact. It should be clear that the sheer number of intervening variables - variations in individual ability, motivation, previous experience, of course design, delivery, of organizational position, culture, goals, accounting systems etc. – render simple ‘proofs of value’ at this level highly problematic (Antonacopoulou, 1999; 2001).

However, despite this pessimism, there are studies which attempt to elicit research evidence at this level of focus. Even these studies have to filter out some of the variables, for example Sinclair (2002) conducts a survey which assesses the value of a particular type of course, in this case an MBA, to a cross-section of businesses, but limits the variables by choosing businesses that have all sponsored individuals at the same business school. It should also be noted that the survey is perceptual (i.e., an attitude survey), and also that the respondent sample was of HR and HRD directors, who it might be suggested have a vested interest in over-stating the value of courses they themselves are responsible for funding. Despite these provisos, the data is relatively unequivocal when it say that 70% of organizations questioned reported large improvements in their sponsored individuals on MBAs in terms of several factors, including their breadth of awareness of management issues, their ability to think strategically and the research also reported large gains in individuals’ confidence in their abilities (Sinclair, 2002: 5). This is a strong positive finding, but of course is both an untested perception (asking individuals to rate others collectively) and also is an improvement for the individual, which of course may or may not relate to improvements in organizational measures. Responses to one question from the survey did however relate to respondents’ perceptions of the impact on the business of the MBA course, and this suggested that 40% of the companies saw ‘large’ gains in the areas of leadership capabilities, improvements in strategic awareness, and increased potential for innovation (Sinclair, 2002: 5). Perhaps also important for the value-add for organisations was the survey’s finding that only 17% of the respondents felt that MBA graduates ‘regularly’ left their sponsoring firms soon after finishing.

Reliable methods which produce clear positive results at this level of study remain elusive, and perhaps, as Green, (1997) suggests, will remain ‘an unrealistic ideal’. However, there is considerable positive perceptual evidence, at least, of the value of the

MBA in particular to organisations, both directly, through perceived measures of organisational success, and indirectly, through perceived measures of improvements in the skills and competencies of individuals who have undertaken the course.

- **The value of single programmes to a single business**

Assessing the value of a single HRD programme to a single business, is, of course, more easily glossed as the 'case study' approach. This type of evaluative research study has proved very popular because it allows a further reduction (although far from an elimination!) of the intervening variables between 'before' measures and 'after' measures of value-add or success. It also allows differences in specific business requirements, industry and processes to be taken out of the frame of research study. Focusing down to the smallest unit of analysis yet we find that case examples have given the kind of broadly positive results we found at the broadest level of investigation.

A good case example to examine is that of Martin, *et al.* (2001) which studies the relationship between investment in specific education programmes and success in NCR (National Cash Registers) of Dundee. They conclude that the targeted investment in management education of NCR has been highly effective in encouraging the development of a culture of innovation, and the educational programme for employees had also been crucial in easing and supporting complex change programmes within the organisation. It should be noted that again the measures are perceptual, and the outcome measures non-financial, but the studies' combination of quantitative and qualitative data gives it a good insight into the process of value creation, especially in the area of assisting change programmes. As Martin, *et al.* (2001) note, 'education is one of the few levers available to top management to produce rapid change' (70). The evidence for value-add for training and development programmes in assisting specific organisational change programmes is further enhanced by positive findings in similar studies (albeit ones less focused on qualification programmes) with Motorola (Baldwin, *et al.*, 1997) and Royal Dutch Shell (Brenneman, *et al.*, 1998). One additional point to add when assessing Martin, *et al*'s (2001) case study is their assertion that NCR's growing reputation as being prepared to invest in training and development has resulted in its increased perception the job marketplace as an 'employer of choice'.

One final case example in this vein is Santos and Stuart (2003) whose research was undertaken with an (anonymous) UK retail bank. They, too, find strong individual course member perceptions (over 75% of respondents agreeing) that the course investigated had led to higher job satisfaction, motivation and productivity. Noting again that these are perceptual measures not related to 'objective' outcome measures, their conclusions concern the positive relationship between certain types of formal structures (that is, organisational processes and policies) and employee attitudes. This, it might be suggested, shades into the *improving*, *normative* style of study more prevalent at other levels of research focus. The use of 'proxy' measures in Santos and Stuart (2003) and, to a lesser extent, in the other case studies covered above[3] also hint at a stepping away from that Gordian knot of variables required for *proving* and towards a more pragmatic solution which accepts the broad *prima facie* assertions of the connection between learning and value, and instead moves towards research assessing *how much* (i.e. improving) value is added.

In many ways, then, it could be said that this paper has come full circle. Having originally attempted to cut 'improving' or 'strategic' studies of HRD out of the remit of this review, the methodological bugbears of the field keep pushing researchers undertaking *proving* research in this area towards the alternative category, reasoning that some evidence is more useful to businesses than overly-complex studies which are unable to discern and clear or proven connections. If we at this point accept, especially at the case study level, that there is inevitable crossover, then another types of study, the 'best-practice' study, becomes worthy of consideration here. Best-practice studies, unlike the majority of studies above, fix the *value* or success measure and examine the variation in policy or practice of individual businesses. For example, a business that is highly financially successful is examined to see what HRD policies and practices they use, as it can be posited that their success can at least be partially attributed to those HRD policies. A good example of this type of study is Olian *et al.* (1998), because it investigates multiple best-practice sites. Perhaps the best examples surveyed by this study are from Accenture, the highly successful consultancy firm, which is keen to link its success to its very high (7% of payroll) comparative level of investment in employee development, and from Coca-Cola, who attribute some of their managerial success to specific practices measuring managers' performance on their ability to spot and develop talent (Olian *et al.*, 1998: 25). Of course fixing the 'success' variable doesn't remove any of the intervening variables, and it could be argued that the success of such companies, despite their claims,

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[3] I.e. 'measuring' the training and the value by actually collecting data on training *policy* and course member attitudes.

is entirely due to other factors. That this could be the case is suggested by other studies which 'fix' success, for example a study surveying employees of the highly successful Boston Consulting Group found that 'non-MBAs were receiving better evaluations [of their performance], on average, than their peers who had gone to business school' (Leonhardt, 2000: 18, quoted Pfeffer and Fong, 2002: 81). Similarly, research with employees of the highly-successful McKinsey and company found that 1, 3, and 7 years after graduation, people without MBAs were as 'successful', career-wise, as those without the degree (see Pfeffer and Fong, 2002: 81). Recent pointed comments from some quarters about the proportion of MBAs in Enron and the company's close links to major business schools (see, for example, Mackensie, 2003; HarvardWatch, 2002) have also cast a less than positive spin on research that attempts to connect learning and success in this way.

In terms of the case-study level of research which attempts to connect specific HRD programmes' impact on specific businesses, the picture is clearly mixed, and riddled with the same methodological problems faced by studies utilising other units of analysis. However, where there is a clear investigation and explication of the specific context of the HRD programmes, and perceptual measures are used, there is generally positive and pragmatic assent to the (positive) value of HRD programmes. However, this conclusion, as we have seen, is rarely accepted as 'proof' in a scientific sense, but rather is related to the practical activity of planning and implementing HRD programmes, that is, in *improving* the perceptual impact of the programmes through policy changes.

Navel- and star-gazing?

The four 'levels' of focus or units of analysis chosen by this paper are of course not the absolute ends of the spectrum, and nor is 'by unit of analysis' the only way to cut the HRD research literature 'cake'. It might be instructive to focus down yet further, beyond programmes and through to specific modules, sessions or even manual skills (see Baldwin and Ford, 1988 for a review of such approaches). There is also considerable interest in research at the other end of the scale, both in a methodological sense of attempting to measure and 'prove' the value of intangibles more generally (Lev, 2000) and in moving from the impact of individuals on training courses to the impact of *organisational* learning on organisational success (see, for example, Easterby-Smith, *et al.*, 1998 for a review of literature in this area). It should be considered that, as this review has progressed in has become clear that, when using certain units of analysis the separation between descriptive and normative studies is either narrowed or punctured altogether. As a result of this finding, it may well be worth examining the strategic human resource development (SHRD) research in more depth than it has been here. This is especially the case as it has been shown that the 'proving' research has been found to regularly rely on a more 'circumstantial' or pragmatic level of 'evidence' of value-add, which has largely been the reserve of the SHRD school of thought.

Discussion

To conclude, several points should be noted. Firstly that, despite its usefulness as a taxonomical tool in this paper, a rigid distinction between normative and descriptive research in the HRD evaluation field cannot be sustained on examination of the research literature. Also it is clear that at each unit of analysis of studies looking for the benefits to organisations, the research picture is mixed, and each has its fair share of methodological issues and concerns. However, despite this, generally positive evidence can be gleaned from research work at each level of focus. The findings are summarised in **Fig 3**, below.

- **At the level of the value of learning to business…**

Much of the work is theoretical, or even ideological, but it is definitely positive of the link between learning and organisational success. It could not be said to offer clear 'scientific' proof of a connection between management development and business performance, but offers a strong case as to *why,* in the modern business climate, such a connection would be likely to be present.

- **At the level of the value of HRD to business…**

There is some strong research evidence of a positive relationship between the level of investment in HRD and business performance. However, some research at this level steps back from financial measures to use 'proxy' outcome measures, both in a methodological sense of using perceptual measures, and also in the sense of using secondary measures thought to relate to business performance such as organisational commitment and employee satisfaction. The research at this level using these kinds of measures does, however, offer strong support for a positive connection between management development and business performance.

- **At the level of the value of specific programmes to businesses…**

The research surveyed showed mixed results, with many researchers claiming that methodological issues made research at this level particularly difficult to ‘prove’ a connection. The major survey that was addressed in this section (Sinclair, 2002) was seen, despite this type of research having a narrower focus than the one above, to step back from direct measures of value to cover only perceptual measures at second hand, i.e. a individual’s assessment of the changes taking place in other individuals, and then linking that to the same respondent individual’s perceptions of overall business performance change. If we were to choose to overlook these methodological concerns, however, and take a more pragmatic approach, then it could be suggested that the data seems to offer support for the positive connection between management development and business performance.

- **At the level of the value of a specific programme to a specific organisation…**

The research showed a mixed conclusion, with certain cases showing clear positive links between the course and business performance, albeit sometimes using proxy measures of performance. At this unit of analysis many of the studies showing success were as interested in the policy and support issues of the organisation that seemed to relate to that success as they were in direct measures of ‘value-add’. In this sense research at this ‘case study’ level was seen to blur the boundary between normative and descriptive research. Because of the situated and relative nature of the normative research, which by definition relates specific policies and contexts to specific and situated strategically-determined outcomes, this could also be seen as deliberately stepping away from, or even denying the efficacy of attempting, to measure value-add in a ‘scientific’ manner. If we must step back from a direct analysis of absolute value of programmes, and instead take as unquestioned the ‘likely’ value of investment in development, and focus more on the need to *improve* that value-add as best we can, then best practice case studies should also be considered. An analysis of such studies showed very mixed results, with the weighting probably in favour of no link between business performance and specific development programmes in specific companies. However, the methodological problems noted in many of these areas of study are largely submerged in the best-practice approach, and therefore their results cannot be counted as weighty evidence either for or against a causal link.

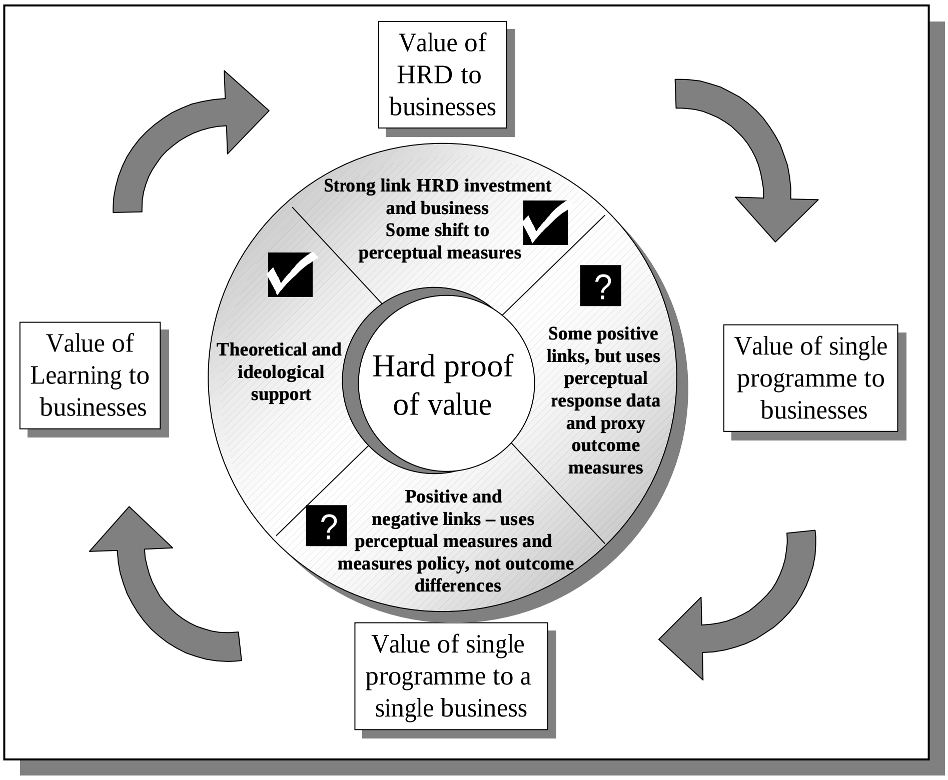

Fig 3: The 'circumstantial' evidence for the value of management development courses to business performance at four units of analysis

Conclusion

In conclusion then, by studying a specific subset of the research literature on the connection between HRD programmes and business performance, namely, that which is largely descriptive and focused on benefits to the sponsoring company, four major types of research can be seen, distinguished in part by their unit of analysis. Research work at each 'level' has its strengths and weaknesses in terms of such issues as explanatory power, methodological clarity and generalisability. What can be seen by reference to **Fig 3** (above) is that each type of research has a perspective and a somewhat different view on that central 'causal' link or issue between HRD programmes and the value to sponsoring companies. The Figure suggests that each type of research has some positive evidence for that link, that is, it works its way in from its perspective (shown as the boxes around the edge) towards that central issue (shown as the central white circle), but that, either because of methodological issues, or through the substitution of direct for perceptual and proxy measures, each type fails to offer 'conclusive' or 'clear-cut' proof of that link. None of the approaches can 'reach' all the way into the centre, in that they certainly fall short of establishing a proportional relationship, whereby a 'rule' between the inputs of resources and the outputs of value-add can be calculated. However, they can go some way towards that point, creating, as shown in **Fig 3** above, a ‘doughnut’ shape whereby the centre is unbreached, is still hollow, but the outer ‘ring’ is very much present.

Therefore, in an absolute sense, the answer to ‘what’s the research evidence for the “value” of corporate sponsored management development programmes to sponsoring companies?’ is ‘none’. However, in dealing with such a complex social issue such ‘proof’ was never likely. What has been shown in this literature review is considerable *circumstantial* evidence which points to a strong positive relationship between management development programmes and organisational value-add, but that the degree of that value-add is mediated by, and can therefore be *improved* by, attention to organisational processes and policies of HRD.

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