MANAGEMENT DEVELOPMENT PRACTICES AND MANAGEMENT COMPETENCIES AMONG MANAGERS IN COMMERCIAL BANKS IN KENYA

BY

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER, 2010

DECLARATION

This project is my original work and has not been submitted for a degree in any other university.

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This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I wish to dedicate this research project to my husband Andrew Kimani, my children Kiama Kimani and Joy Kimani and classmates for their support, encouragement and prayers.

May God bless you all.

ACKNOWLEDGEMENT

I first of all thank our good Lord for enabling me complete this research project. I would also like to acknowledge my supervisor Professor Peter K' Obonyo for his effort in guiding me throughout the project.

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ABSTRACT

In today's challenging and unsettling business environment, competent managers are needed more than ever at all levels in every organization. People want to work for organizations that are filled with competent and trustworthy leaders - and work as team members. Real leadership can arise from unexpected places. The objective of this study was to establish the relationship between the Management development Practices and Managerial competencies in the Commercial Banks in Kenya.

A survey design was used in this study. The population of this study comprised all the 43 licensed commercial banks in Kenya. The study required collection of primary data. This was done using questionnaires. The data collected was edited for accuracy, uniformity, consistency and completeness and arranged to enable coding and tabulation before keying them in for analysis. Descriptive statistics comprising the mean, standard deviation, absolute frequencies and relative frequencies (percentages) were used to analyze the data.

The study concludes that there is a relationship between the management development Practices and managerial competencies in the Commercial Banks in Kenya. The study concludes that banks that had managers with virtuous management development practices particularly at executive level, provided a key source of sustainable competitive advantage to the institution. In addition, managers competencies was associated with effective performance and their ability to respond to critical incidents. The study recommends that for an effective relationship between the management development Practices and managerial competencies in the Commercial Banks in Kenya, managers ought to have competent management development skills. Management development provides an opportunity to identify and develop people with respect to competencies required for job performance. In addition, managers in the organizations ought to have high competency. The advantage afforded by the more successful employee's competencies can usually be replicated throughout a business.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Management Development is best described as the process from which managers learn and improve their skills not only to benefit themselves but also their employing organizations (Cannell, 2004). In organizational development (OD), the effectiveness of management is recognized as one of the determinants of organizational success. Therefore, investment in management development can have a direct economic benefit to the organization. Managers are exposed to learning opportunities whilst doing their jobs, if this informal learning is used as a formal process then it is regarded as management development.

In a continuously changing environment it has become impossible to manage successfully without sustained personal development. The managers of organizations face the globalization of business, rapid technological change, continual reorganizing and competence-based competition. These developments challenge the skills, competencies and capabilities of managers in organizations. In light of these dynamic changes, managers' competencies also need to be renewed on a regular basis. Thus, management development should be seen as a crucial strategic tool (McClelland, 1994).

Doyle's (2000) presents management development as being influenced by organizational and external contexts, including political activities and institutional frameworks. In support of this view, Wexley and Baldwin (1986) argue that management development is multi-faceted, that there is no one-best-way of doing it. Rather it is contingent on managerial roles, individual needs and abilities, and the organizational context. Indeed, many academic studies focusing on management development in practice at an organizational level highlight the contextual nature of management development (Garavan *et al.*, 1999). Doyle (2004) argues that this perspective allows the influence of management development on an organisation to be realized with objective measures of its performance. Although this makes it easier to analyze, it may not reflect the fluid and relational nature of management development in practice. Indeed, recent works on management development portray it as a dynamic, changing concept (Cullen and Turnbull, 2005).

In addition the term management development can be interpreted differently, depending on the perspective taken in using it in academic work and practice. For the purpose of this article, the term management development encompasses training, education and learning practices that are intended to assist managers realize their potential, either for personal or organizational benefit.

In a similar vein the concept of talent management has various meanings both theoretically and in practice (Story, 2007). "In its broadest sense it is concerned with … identification, development, engagement/retention, and deployment of "talent" within a specific organizational context" (CIPD, 2006). Talent management is also presented as a new way of managing succession planning, focusing on fast track career opportunities, implying that it is primarily concerned with high potential employees (CIPD, 2006). However, there are similar capability building concerns expressed in both management development and talent management concepts, centred on both organisation and individual needs. Therefore, talent management can be presented as an integrated business strategy that enables the development of individuals to fulfill their potential.

1.1.1 Management Development Practices

Basically, management development practices describe any number of activities that reflect a planned effort to enhance employees' ability in various individual and team management techniques. Very simply put, management development includes development of skills such as planning, organizing, leading and developing resources. A key skill for any employees is the ability to manage their own work and control their career path. Highly motivated and self-directed individuals can gain a massive amount of learning and other benefits for their organisation by implementing an aggressive management development programme. Management development refers to the process of training and developing managerial talent within a company or organisation (Hayes *et al.*, 2000).

The issue of change and transformation seems to be dominating discussions of organizational development today. As corporations continue their adjustment to the demands of a global economy, the need to develop new, more effective ways to compete looms larger. This challenge has brought individual and organizational development efforts to the forefront of human resources management activities as companies search for the most effective way to deal with the challenge of change (Vicere and Graham, 1990).

In an effort to deal with the demands of a dynamic and highly competitive global marketplace, corporations from around the world are investing heavily in executive development activities. Over the past ten years, the nature and purpose of these activities has changed, in some ways rather dramatically. Executive development is no longer a process for developing a small group of successors to senior management; it is a tool for building competitive advantage (Vicere, 1981).

Doyle's (2000) presents management development as being influenced by organizational and external contexts, including political activities and institutional frameworks. In support of this view, Wexley and Baldwin (1986) argue that management development is multi-faceted, that there is no one-best-way of doing it. Rather it is contingent on managerial roles, individual needs and abilities, and the organizational context. Indeed, many academic studies focusing on management development in practice at an organizational level highlight the contextual nature of management development (Mabey, 2002). Doyle (2004) argues that this perspective allows the influence of management development on an organisation to be realized with objective measures of its performance. Although this makes it easier to analyze, it may not reflect the fluid and relational nature of management development in practice. Indeed, recent works on management development portray it as a dynamic, changing concept (Cullen and Turnbull, 2005).

Management development is a process that begins paying for itself very rapidly. You will begin to see the creation of a core team of individuals who are committed to the growth and progress of your organisation. In the long run, this can only mean increased efficiency and profitability as the management talent in your organisation grows stronger and stronger.

1.1.2 Management Competencies

McClelland (1976) described competency as the characteristics underlying superior performance. In the US, traditionally, the competency modeling starts from observing successful job performers to determining how these individuals differ from less successful performers. However, some researchers argued that, this approach in identifying competencies tended to produce competencies that were too generic and abstract, therefore, of limited value in competency development (Sandberg, 2000). In comparison, Sandberg (2000) argued that competency should be viewed as a function of the context in which it was applied, and Sandberg (2000) further suggested that competency should be constituted by the meaning of one's work rather than a specific set of attributes.

In recent years, competency study has gained more and more interest and attention. Numerous attempts have been made by scholars to study competency (Boyatzis, 1982). Competency modeling, in addition to being regarded as a focal point for planning, organizing, integrating and improving all aspects of human resource management systems), is also regarded as an approach focused on improving organizational performance (Rothwell and Lindholm, 1999).

There is an assumption that all effective leadership behaviors are applicable across the different levels of managerial positions (Bass and Stogdill, 1990). However, overwhelming evidence shows that to be effective, different hierarchical positions require different managerial behaviors (Kraut *et al.*, 1989). Furthermore, there is very little research reported in the literature for exploring the competencies required by middle managers.

A variety of approaches have been used to identify the competencies associated with effective performance (Mumford, Marks, Connelly, Zaccaro and Reiter-Palmon, 2000). These include observing managers at work, observing them performing simulated work activities (for example in assessment centres), asking them about their response to critical incidents, as well as about their beliefs in the competencies that are necessary for them to perform their roles effectively (Hayes *et al.*, 2000). In particular, structured and unstructured interviews and questionnaires have been used to elicit such beliefs (Rifkin *et al.*, 1999).

1.1.3 The Link between Management Development Practices and Management Competencies

Management development and competencies are fields that have been researched by personnel in academia and in industry. Despite the considerable research in both fields, there has been surprisingly, little done to show the links between the two fields. Luoma (2000) argued that the relationship has received amazingly scant attention whilst McClelland (1994) asserted that many organizations do not consider management development to be linked to competencies. Recent changes in the global competitive environment, has forced corporations, from small to big scale across industry types, to rethink their competitive strategies. As a result, a need has emerged for organizations to build their managers competencies through management development activities in order to retain talented, experienced and adaptable managerial personnel. This is because capable management is perceived as one of the organizational resources required to build corporate competitiveness. Management development assumed an important role in realigning the organizations internal resources and functions for organizational success (Atkinson & Meagher, 1986; Schuler, 1989). Millett and Leppanen (1991) further argued that management development basic function is to help organizations to ensure that competent and knowledgeable managers are able to implement successfully the corporate strategies in facing anticipated business challenges.

Likewise, McClelland (1994) suggested that management development needs to be realigned with competitive strategy in order to ensure the availability of skills for effective strategic implementation. It is meaningful to attempt to discover how management development is associated with their competencies. The focus of the competency concept is mainly to help organizations cope with the changing environment and the need to integrate an organization's human resource strategy and its corporate strategy (Barber and Tietye, 2004). Because of the dynamic nature of organizations as a result of changes in business environment particularly in less developed nations, the need to study managerial competencies and its associated relationship to effectiveness appears imperative.

1.1.4 Commercial Banks in Kenya

The Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK), governs the Banking industry in Kenya. The banking sector was liberalised in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance's docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. The CBK publishes information on Kenya's commercial banks and non-banking financial institutions, interest rates and other publications and guidelines. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banks' interests and addresses issues affecting its members. (Kenya Bankers Association annual Report, 2008).

There are forty-three banks in Kenya. The industry is dominated by a few large banks most of which are foreign-owned, though some are partially locally owned. Six of the major banks are listed on the Nairobi Stock Exchange. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banks' interests and addresses issues affecting member institutions. The commercial banks offer corporate and retail banking services but a small number, mainly comprising the larger banks, offer other services including investment banking, (Dikken & Hoeksema, 2001).

A recent report has lamented the inadequacy of management education and development in commercial banks. One fundamental concern is the design of programmes which focus on the development of effective managers, as opposed to just teaching people about business and management. An innovative management development programme has been developed, based around on management competencies and work experience based learning.

1.2 Statement of the Problem

In today's challenging and unsettling business environment, competent managers are needed more than ever at all levels in every organization. People want to work for organizations that are filled with competent and trustworthy leaders - and work as team members. Real leadership can arise from unexpected places (Pfeeffer, 1996).

As a consequence, many organisations have tried to enhance their capacity to implement strategic through the use of management development programmes (Winterton and Winterton, 1997). Often, these are based on training needs analysis which identifies a set of management competencies which it is hoped will deliver better competitive and commercial practice. Sometimes these competencies are couched very loosely, for example: "we need to be better at financial management". On other occasions they are stated more specifically, as in; "we must teach our managers better techniques for running meetings" (Hirsh and Strebler, 1994). The former commonly lead to broad-based educational courses while the latter usually result in technical or skills-based training.

What tends to be absent from these programmes is attention to any higher order competencies which enable managers to use these educational or technical abilities to make a difference to the organisation (Harris, 1989). As an example, better financial management may require senior managers not only to have a good grasp of financial principles but also to "remain open minded" or to "lead by example" under the difficult circumstances of trying to get other managers to keep a closer eye on expenditure. Similarly, improved chairmanship may demand qualities of "self confidence" and the ability to "read interpersonal or political situations" which often crop up in management meetings, as well as learning about techniques for running meetings. Exactly the same is argued to be true for organizational strategy and other areas of business improvement (Ulrich, 1998).

To the best of the researcher's knowledge, no study had been done linking management development practices and managerial competencies. It is this gap in knowledge the proposed study was intended to fill.

1.3 Objectives of the Study

The objective of this study was to establish the relationship between the Management development Practices and Managerial competencies in the Commercial Banks in Kenya.

1.4 Importance of the Study

This study is important to the commercial banks in Kenya as they will be able to know what management development practices to adopt in order to enhance managerial competencies. The banks will also be able to establish the extent to which management development practices lead to management competencies.

The results of this study will also be invaluable to researchers and scholars, as it will form a basis for further research. The students and academics will use this study as a basis for discussions on the relationship between management development and managerial competencies adopted by banking industry in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Overview of the Study

The role of a manager has never been as important or demanding as it is today. Managers at all levels must deliver consistent, sustainable results in leaner organizations and get things done day to day with fewer resources. There is an increased emphasis on maintaining employee morale and high levels of productivity in an increasingly complex and changing business environment. Managers must also ensure that the right people are in the right roles with the right skills. Unfortunately, many companies have fewer resources to devote to selection, succession, and management development initiatives that would help ensure that their managers are set up for success and able to handle these challenges effectively. In this environment, an understanding of which competencies make the difference in a manager's effectiveness and the extent to which this varies by level and industry is necessary to help organizations prioritize their talent management efforts to ensure that the initiatives they put in place are high impact and yield the greatest return on investment (Harris, 1989).

In general, however, the dominant view is that managerial competencies can be developed through training and exercise (Fletcher, 1992). According to the more humanistic views, people can only be supported and motivated to use their capacities (Spencer, 1983).A variety of approaches have been used to identify the competencies associated with effective performance (Mumford, Marks, Connelly, Zaccaro and Reiter-Palmon, 2000). These include observing managers at work, observing them performing simulated work activities (for example in assessment centres), asking them about their response to critical incidents, as well as about their beliefs in the competencies that are necessary for them to perform their roles effectively (Hayes *et al.*, 2000). In particular, structured and unstructured interviews and questionnaires have been used to elicit such beliefs (Rifkin *et al.*, 1999).

Nevertheless, in many organizations management development is still often perceived as an isolated process, which does not contribute significantly to organizational development and performance. Consequently, the responsibility for management development is often left to the managers themselves. It is therefore dependent on their own perceptions and motivation as to which areas they intentionally seek to develop or whether they participate in various development processes.

2.2 Management Development Practices

Management always includes a complicated mechanism of human and social interactions, which requires competence in the mastery of human relationships and conflicts as well as problem solving. The strategies in managerial competence are aimed in the future and need to take different kinds of development operations into use. In a continuously changing environment it has become impossible to manage successfully without sustained management development. The managers of organizations face the globalization of business, rapid technological change, continual reorganizing and competence-based competition. These developments challenge the skills, competencies and capabilities of managers in organizations. In light of these dynamic changes, managers' competencies also need to be renewed on a regular basis. Thus, management development should be seen as a crucial strategic tool (McClelland, 1994). Management development, in the context of this paper, can be defined as the expansion of a person's capacity to be effective in managerial roles and processes (McCauley and Van Velsor, 2004).

Management development provides an opportunity to identify and develop people with respect to competencies required for job performance. Organisations seek to develop the knowledge and skills of individuals, and ultimately to improve the competitiveness and productivity of the organisation itself (Gale and Brown, 2003). Managers are continually required to manage the challenges brought about by the waves of rapid and dynamic change. Research undertaken by Henley Management College into the development of standards of competence for management can contribute much in helping managers develop to meet such demands.

The competencies of managers have been receiving unprecedented scrutiny from both practitioners and interested observers recently; many companies have now realized that the development of their managers, particularly at executive level, can provide a key source of sustainable competitive advantage and, as a consequence, training and management development specialists have been developing competency frame-works at every level of management.

2.3 Managerial Competencies

It is widely acknowledged that the managers of a company are among the more significant contributors to its competitive performance (MacLachlan, 1995). In that respect, it is those qualities which distinguish a manager as being superior in performance in comparison to his or her peers that are now seen as important factors (Conway, 1994). However, despite the best intentions of firms and management academics, there has been little success in pin-pointing the competencies required for a manager to operate successfully in a particular organization (Kanungo and Misra 1992).

There is a degree of confusion and lack of common agreement as to the meaning of the term "competence" when it is applied to individuals. McClelland was quite vague about its definition when he developed the idea of testing for it, often interchanging it with "skills" (Schroder, 1989). Other authors have described it as behaviour, cognitions, corporate culture and personal dispositions (Schein, 1984). However, there is a level of commonality between these varied explanations, and this is reflected in the definition that we have adopted. We determine that competence is an observable activity directed towards accomplishing a task. Expressed simply it is the way we do our work.

For example, two employees who possess the same level of skills may differ in their performance of the same job because they have distinct competencies. The better person will not only have the necessary level of skills required to do the task, but he/she will also be able to apply them rapidly, accurately and with a single-mindedness that his/her colleague cannot match.

The advantage afforded by the more successful employee's competencies can usually be replicated throughout a business. Thus, one manager will be more successful in a certain role compared to his/her peers because his/her set of competencies are more suited to the functions required of him/her in that position.

With an understanding of the types of competencies that exist, coupled with the capability to identify them in individuals, it should be possible to determine the relative success of an individual in a particular job. Consequently, it could be feasible to identify the set of competencies which are needed for an incumbent of a post to succeed in that role. This might result in the improvement of managerial performance at all levels by matching the competencies needed for different jobs with those variously possessed by individuals. Thus, the person with a particular set of competencies would fill the job where these are a requirement in order to succeed. Overall corporate performance would also rise as a result. Hence, a recognition and comprehension of the types of competencies is of great significance.

2.3.1 Integrated Management Competency Models

According to Lucia and Lepsinger (1999) a competency model is a descriptive tool that identifies the knowledge, skills, abilities, and behavior needed to perform effectively in an organization. The noted benefits are many. These identified competencies form a basis for the planning and development of all the management activities. Furthermore, they help in the communication of a company's strategic intentions and needs, and give organizations a "common language" that can be used to discuss performance, selection, development, advancement and succession planning. However, competence models have also been subject to criticism. Indeed, they have been criticized for producing idealized lists of qualities, which contain almost everything. There also have been questions raised concerning attempts to disaggregate lists of managerial competences that may have universal application (Burgoyne, 1990). There are typically implicit assumptions made in research that a common set of competencies is required from all managers. There is research evidence, however, that the demands for certain competencies vary considerably, not least depending on the variety of job-related demands (Hayes *et al.*, 2000). Garavan and McGuire (2001) have pointed out through a thorough investigation that certain weaknesses exist concerning some of the philosophical and epistemological dimensions of competency and their usage. First, the competencies are usually seen as a specific set of attributes that are context-free. The meaning of internal organizational context is in this sense often ignored. Second, many descriptions of competency do not consider the role of the employee and their experience.

In spite of the variance in priorities and emphasis on different competencies in different management contexts, it can be assumed that some degree of generalizability exists. Indeed, it is argued that many of the competencies managers need are transferable and generic in nature, which subsequently forms the basis for all organized management development (Mumford, Zaccaro, Connelly and Marks, 2000).

Competency models have been organized in a variety of ways. They have been categorized, for example, in terms of two broad skill categories, three types of skills, four competency domains, six competencies and ten skill categories (Carrington, 1994). In the relevant literature, it is even evident that the terms competence and skills are used interchangeably. Nevertheless, there exists considerable doubt surrounding whether competencies can be extensively categorized and labelled as they often overlap, and thus commonly suffer from over ambiguity. On the other hand, even more confusion and mystification may arise in any further discussion about managers' capabilities and performance, if there is no agreement as to the elements that support them.

2.3.2 Clusters of Management Competencies

To this end, additional relevant literature has been referred to in the reasoning process (for example Garavan and McGuire, 2001). After conducting the iterative classification process, six clusters of managerial competencies could be established when integrating elements from different competency models introduced in the literature. They are technical competencies; business competencies; knowledge management competencies; leadership competencies; social competencies; and intrapersonal competencies.

Technical competencies are those a manager needs in handling the contents of the processes or functions that s/he is responsible for (Katz, 1974). They refer to the ability to use tools, procedures, and techniques in a specialized field. They usually represent skills and knowledge in which the manager has specialized, for example as part of his/her education. Typical examples include finance and accounting, computing, engineering and chemistry.

Business competencies are needed in management-related work in any business (Hogan and Warrenfeltz, 2003) with many of them being generic in nature. They typically represent areas of management training/education found in such programs as the MBA. These competencies include, for example, strategic perception, decision making and board management (Institute of Directors, 1995), the ability to think in terms of systems and knowing how to lead systems, as well as giving vision, meaning, direction and focus to the organization (Scholtes, 1999). The leveraging of internal and external resources to respond customer needs would also fall into this category (Rifkin *et al.*, 1999) along with planning, monitoring budgets, forecasting costs and revenues, cutting costs, mapping strategies, evaluating performance, and organizing necessary reports (Hogan and Warrenfeltz, 2003). Because of their close connection to general business knowledge and tasks, they have been referred to as crucial meta-cognitive skills for managers (Mumford, Zaccaro, Connelly and Marks, 2000). These skills are needed in management, which are in turn distinctive from those needed in leadership. In short, they make a manager capable to manage things.

From the competencies mentioned above, knowledge management competencies can be distinguished as a separate cluster, which reflects the special current and future demands of managers. It would seem that this area seemingly overlaps with both business and leadership competencies. However, according to the knowledge management literature, it is arguably justifiable in the current business climate to separate this area from the more traditional aspects of management and leadership. Indeed, it is suggested that managers should not only be proficient in information handling on a personal level, but also capable in the management of information processing, learning and development at the group and organizational level (Ekvall and Arvonen, 1991). Knowledge management competencies includes, for example, information search, concept formation and conceptual flexibility, analytical understanding, complex problem solving skills and solution construction skills, an understanding of learning, development and improvement as well as facilitating and tutoring the learning of others (Luthans and Lockwood, 1984). These competencies form a sort of bridge between cognitive-based skills and social skills.

Leadership and supervisory competencies refer to leading people. They concern the exercise of power to some degree (Stogdill, 1974). They refer to a manager's capability to direct people, support people and participate people, facilitate people and empower people (Ellinger and Bostrom, 1999). They also comprise the competencies needed in creating a common purpose with subordinates, managing diversity, supporting creativity and creating community (Rosen, 1996). These competencies overlap with knowledge management and social competencies. Compared to social competencies they are more tightly connected to relationships between a manager and his/her subordinates in an organization. Compared to knowledge management the focus is more on people issues. These competencies are generic and transferable.

Social competencies or interpersonal competencies refer to coping in the manager's social relations (Hogan and Warrenfeltz, 2003). They include a manager's ability to build and maintain relationships with different stakeholders. This means, for example, understanding people and their behavior, social judgment skills, communication and interacting with others, motivating people and handling conflicts. These competencies also refer to core areas of leadership, insofar as it is conceptualized as influencing other people towards the attainment of group or organizational goals. In slightly more depth, interpersonal skills have been categorized into four components: a disposition to put oneself in the place of another person, a skill to get it right when one tries to anticipate another person's expectations, a skill to incorporate the information about the other person's expectations into one's subsequent behavior, and self-control to stay focused on the other person's expectations (Hogan and Warrenfeltz, 2003). These competencies overlap with leadership skills and intrapersonal competencies.

Intrapersonal competencies lie deep in the managers' personality (Hogan and Warrenfeltz, 2003). They are closely associated with the trait approach to leadership. Along with traits, the social role, self-image, motives and values have all been included in this area of competency. The important capabilities are self-confidence, proactive orientation and achievement orientation, social judgment skills as well as conflict resolution, and tolerating and mastering uncertainty (Nordhaug, 1998). According to Hogan and Warrenfeltz (2003), intrapersonal competencies generally contain three main components: core self-esteem, attitudes toward authority, and self-control.

People are often poor judges of their own performance as leaders (Hogan and Warrenfeltz, 2003). While they can often evaluate business skills rather effectively, leadership skills on the other hand are much more difficult to evaluate. Nevertheless, whether the perceived development needs are accurate or not, they do impact on the choices managers make concerning their own development. Thus, a number of academics and scholars in the field of management development have suggested that improving self-knowledge must be the basis for all true management development (Pedler *et al.*, 1986). Competency models could thus serve as one potential tool for helping managers in self-reflection and development. They could also serve as a tool for building collective comprehension concerning management in an organization. Management, after all, is also a collective and cultural phenomenon.

In the next section those competencies that managers themselves intend to develop in the near future are reported. They reflect their perceptions on important managerial competencies and their personal development needs. The concept of intention is grounded in cognitive psychology that attempts to explain or predict human behavior. Intentions can largely be said to refer to motives. In management development, for example, managers who are committed to a programme of action are said to be motivated (Hogan and Warrenfeltz, 2003). Indeed, it is viewed that behavioral intention is derived from attitudes, and becomes an immediate determinant of behaviour.

2.4 Management Development and Management Competencies

Devising more effective ways of managing the performance of key managerial employees has become a cornerstone of organizational development in recent years. As part of this movement, the establishment of the competence or competency of individuals, within both their general contribution to the organisation and their specific contribution in the context of their occupational role, is central to defining the necessary routes to further development within the organization. Indeed, competency assessment has been seen as an increasingly versatile and powerful tool to underpin many contemporary human resource management (HRM) practices (Armstrong, 2003). Such assessments can help to define job-role characteristics and desired levels of performance and hence, can provide a basis for many aspects of the HRM function. However, although the general use of the terms "competence" and "competency" is fairly indiscriminate, there are important conceptual and practical distinctions to be made that fundamentally effect their application within modern organizations. Bergenhenegouwen (1996) argued that in a managerial context, managers must possess a range of personal competencies along with task-specific competences to perform effectively.

Recognition that managers should have competence in their relevant functional area, particularly in relation to developing and improving their decisions and performance tasks has been well documented (Gilmore, 1998). Given that management competencies are concerned with peoples' behavior, identifying and developing the competencies of managers in relation to their decision-making roles, activities and specific responsibilities will be of utmost importance in the quest for continually effective performance.

The most common concepts used in recent literature on management development are competency and competence, which are often used interchangeably. The terms are attributed multiple meanings depending on the context and perspective and they can be classified as work-oriented definitions and multidimensional definitions (Garavan and McGuire, 2001). In its broadest sense, "competency" refers to the sum of experiences and knowledge, skills, traits, aspects of self-image or social role, values and attitudes a manager has acquired during his/her lifetime (Pickett, 1998). There is some agreement that there are more and less observable elements of competence (Garavan and McGuire, 2001).

When organisations seek to translate the issue of managerial competence into practical outcomes they inevitably end up with lists of competencies derived from core values which can lead, theoretically, through management development, to behavioural outcomes. The required managerial competence criteria seem to float in pristine abstraction detached from the dirty realities of everyday organizational life. Organisations often construct their competencies by asking managers what they believe a good manager does. Some in the organisation are identified as role model managers and they are used as the benchmark to construct the idealized manager.

Management development needs to be realigned with competitive strategy in order to ensure the availability of skills for effective strategic implementation. It is meaningful to attempt to discover how management development is associated with their competencies. The focus of the competency concept is mainly to help organizations cope with the changing environment and the need to integrate an organization's human resource strategy and its corporate strategy (Barber and Tietye, 2004). Because of the dynamic nature of organizations as a result of changes in business environment particularly in less developed nations, the need to study managerial competencies and its associated relationship to effectiveness appears imperative.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A survey design was used in this study. This research design was considered appropriate because of the need to collect data from a cross section of all organizations and the need to perform comparative analysis.

3.2 Target Population

Target population is the specific population about which information is desired. The population of this study comprised all the 43 licensed commercial banks in Kenya (CBK, 2009). This was a census study in that data was collected from all the 43 commercial banks in Kenya.

3.3 Data Collection

This study required collection of primary data. This was done using questionnaires (Appendix II). The questionnaires were semi-structured, and had both open-ended and closed-ended questions. The close-ended questions provided more structured responses to facilitate tangible interpretations. The closed ended questions were used to explain quantitative responses to which they relate. The questionnaire was divided into three sections. Section one was concerned with the general information about respondents. Section two focussed on management development while section three will deals with the linkage between management development and managerial competencies in commercial banks. The researcher exercised care and control to ensure that all questionnaires issued to the respondents were received. To achieve this, the researcher maintained a register of questionnaires. The questionnaire were administered using a drop and pick later method to all the HR managers among the Commercial banks. The questionnaires were pilot tested using a smaller sample from the target population.

3.4 Data Analysis

The data collected was edited for accuracy, uniformity, consistency and completeness and arranged to enable coding and tabulation before keying them in for analysis. Descriptive statistics comprising the mean, standard deviation, absolute frequencies and relative frequencies (percentages) were used to analyze the data. Pearson's Product Moment Correlation analysis was used to establish the strength of the relationship between management development practices and management competences. The results were presented using tables and charts.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The data was gathered exclusively from questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likerts scale. The data has been presented in form of quantitative, qualitative followed by discussions of the data results.

4.1 Respondents' Demographic Characteristics

4.1.1 Response Rate

The study targeted 43 respondents in collecting data. Results in table 4.1 below, show that 35 out of 43 target respondents, filled in and returned the questionnaire contributing to a 83% response rate. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was made a reality after the researcher engaged research assistants to administer the questionnaires. This survey can therefore be said to be successful.

Table 4.1: Response Rate

Response Rate	Frequency	Percentage
Responded	35	83
Not responded	8	17
Total	43	100

Source: Survey Data, (2010)

4.1.2 Gender

The study inquired on the gender of the respondents. Results revealed in table 4.2 showed that a majority of the respondednts were males comprising 60 percent while females comprised of 40 percent.

Table 4.2 Gender

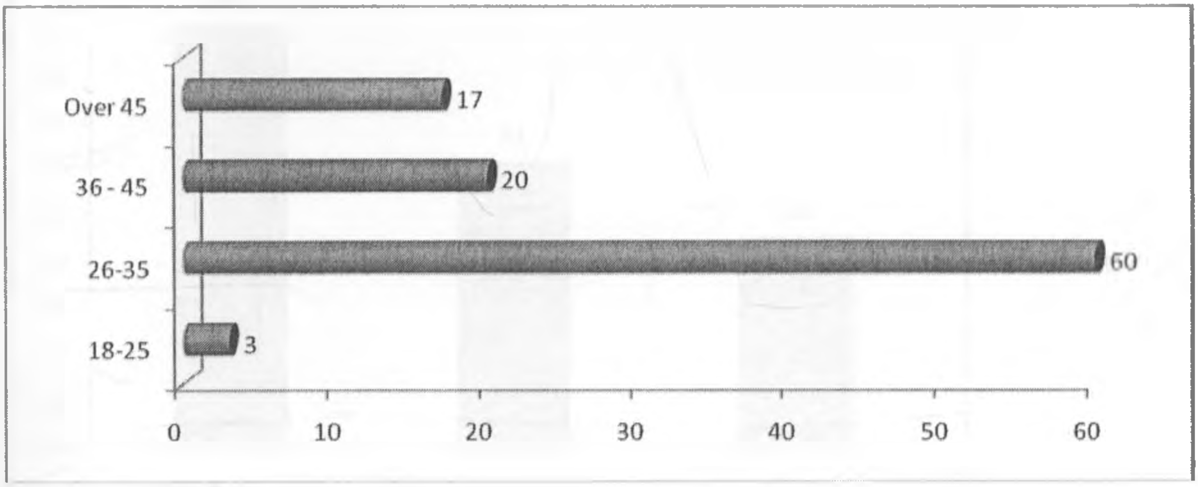
	Frequency	Percent
Male	21	60
Female	14	40
Total	35	100

Source: Survey Data, (2010)

4.1.3 Age bracket

Further, the study inquired on the age bracket of the respondents. Results shown in figure 4.1 shows that most of the respondents between ages of 26 to 35 years comprising 60 percent while 20 percent were 36-45 years old. 17 percent were over 45 years old while only 3 percent were in ages of 18 to 25 years.

Figure 4.1 Age bracket



Source: Survey Data, (2010)

4.1.4 Level of education

The study further established the level of education of the respondents. The study revealed that a majority of the respondednts were graduates comprising 80 percent followed by 11 percent who were post graduates. Only 9 percent had certificate or diploma level of education.

Table 4.3 Level of education

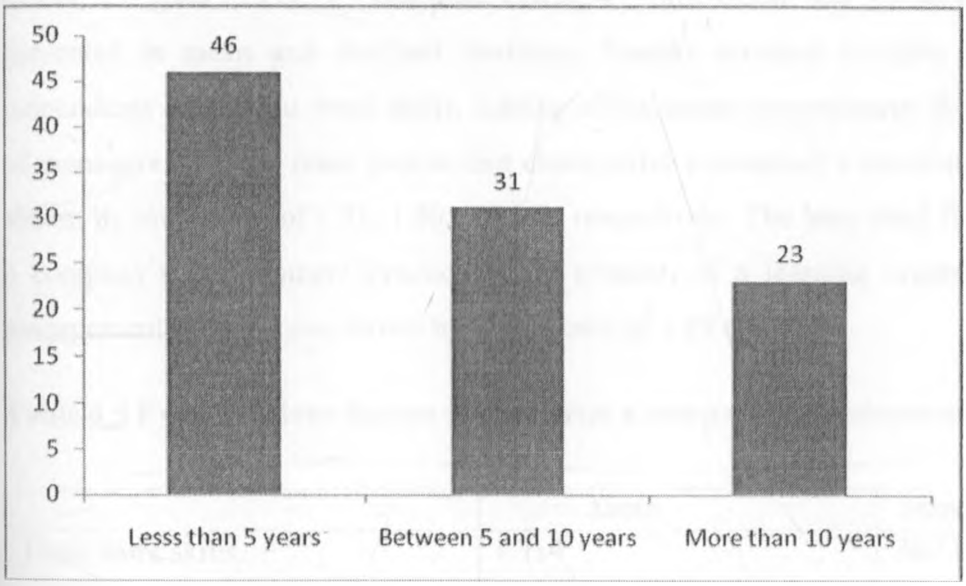
	Frequency	Percent
Certificate/Diploma	3	9
Graduate	28	80
Post graduate	4	11
Total	35	100

Source: Survey Data, (2010)

4.1.4 Length of time in organization

Further, the study inquired on the length of time the respondednts had worked in the organizations. Results presented in figure 4.2 shows that most respondednts had worked for a period of less than five years comprising 46 percent while 31 percent had worked for a period of between 5 and 10 years. 23 percent had worked for a period of more than 10 years.

Figure 4.2 Length of time in organization



Source: Survey Data, (2010)

4.1.5 Position held in bank

The study further established the position the respondednts had held in the banks. Results from table 4.4 showed that most of the respondednts were managers comprising 29 percent while 20 percent were bank officers.14 percent were customer care officials while 11 percent were human resource officers.11 percent did not state their positions however.

Table 4.4 Position held in bank

	Frequency	Percent
Didn't comment	5	14
Clerk	4	11
Customer care	5	14
Human resource officer	4	11
Manager	10	29
Bank officer	7	20
Total	35	100

Source: Survey Data, (2010)

4.2 Management development

In this section, the study aimed at identifying the extent various factors characterized a company's development practices. Data was analyzed using a likert scale of 1 = very great extent, 2 = great extent, 3 = moderate extent, 4 = little extent and 5 = no extent at all .Data was presented in mean and standard deviation. Results revealed in table 4.5 shows that most respondents cited team work skills, leading skills, career management skills and empowerment of managers were the main factors that characterize a company's development practices as was shown by low means of 1.71, 1.80 and 1.84 respectively. The least cited factors that characterize a company's development practices were creation of a learning organization and personnel management skills as was shown by high means of 1.89 and 2.00.

Table 4.5 Extent various factors characterize a company's development practices.

	Mean	Standard deviation
Team work skills	1.714	.6673
Leading skills	1.8000	.67737
Career management Skills	1.8000	.63246
Empowerment of managers	1.8465	.77242
Change management skills	1.8471	.73336
Resource development skills	1.8571	.77242

Emphasis on planning skills	1.885	.58266
Organizing skills	1.890	.63113
Creation of a learning organization	2.0000	.76696
Personnel management Skills	2.0581	.72529
Training needs analysis	2.085	1.0946
Multiple skills	2.1143	.71831

Source: Survey Data, (2010)

4.2.2 Level of agreement on various statements that relate to management development at the bank

Further, the study inquired the respondednts view on various statements that related to management development at the bank. Data was analyzed using a likert scale of 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree and 5 = Strongly disagree .Data was presented in mean and standard deviation. Results revealed in table 4.6 showed that most respondents strongly agreed that development of their managers, particularly at executive level, could provide a key source of sustainable competitive advantage shown by a low mean of 1.54 followed by the fact that management development was aimed at the creation of a core team of individual managers who were committed to the growth and progress of the bank shown by a low mean of 1.66. In addition, a majority of the respondednts agreed that investment in management development could have a direct economic benefit to the organization shown by a lower mean of 1.771. The least cited statements that related to management development at the bank were that the bank allocates a large percentage of resources to management development initiatives that would help ensure that their managers are set up for success and able to handle the challenges effectively shown by a high mean of 2.1714 and that at the bank, training and management development specialists had been developing competency frame-works at every level of management shown by a high mean of 2.257

Table 4.6 Level of agreement on various statements that relate to management development at the bank

	Mean	Standard deviation
Development of their managers, particularly at executive level, can provide a key source of sustainable competitive advantage	1.5429	.56061
Management development is aimed at the creation of a core team of individual managers who are committed to the growth and progress of the bank	1.6667	1.08012
Investment in management development can have a direct economic benefit to the organization	1.7714	.73106
In the long run, management development lead to increased efficiency and profitability as the management talent in the organisation grows stronger and stronger.	1.8000	.79705
The management development programmes pay attention to higher order competencies which enable managers to use these educational or technical abilities to make a difference to the organization	1.8000	.90098
The strategies in managerial competence are aimed in the future and need to take different kinds of development operations into use	1.8286	.85700
Managerial competencies are developed both through training and exercise	1.8857	1.02244
Managers at the bank are continually trained to manage the challenges brought about by the waves of rapid and dynamic change.	1.9143	1.01087
Management development programmes at the bank are based on training needs analysis which identifies a set of management competencies which it is hoped will deliver better competitive	2.1429	.84515

and commercial practice		
The bank allocates a large percentage of resources to management development initiatives that would help ensure that their managers are set up for success and able to handle the challenges effectively	2.1714	.85700
At the bank, training and management development specialists have been developing competency frame-works at every level of management.	2.257	.9500

Source: Survey Data, (2010)

4.3 Managerial competencies

In this section, the study aimed at identifying the extent various approaches were used by the organization to identify the level of managers competencies associated with effective performance. A likert scale of 1-5 where 1= very great extent, 2 = great extent, 3 moderate extent, 4 = low extent and 5= to no extent at all was used. Data was presented in mean and standard deviation. Results revealed in table 4.7 showed that asking managers about their response to critical incidents was the main approach used as was shown by a low mean of 2.4 followed by asking managers about their beliefs in the competencies that are necessary for them to perform their roles effectively shown by a mean of 2.5. The least cited approach used by the organization to identify the level of managers competencies associated with effective performance was observing managers performing simulated work shown by a high mean of 2.7.

Table 4.7 Extent various approaches were used by the organization to identify the level of managers competencies associated with effective performance

	very great extent	Great extent	Moderate extent	Low extent	No extent at all	Mean	Standard deviation
Asking them about their response to critical incidents	8.6	54.3	17.1	20.0		2.4857	.91944
Asking managers about their beliefs in the competencies that are necessary for them to perform their roles effectively	2.0	57.1	28.4	11.4		2.542	.7005
Observing managers at work	20.0	28.6	22.9	17.1	11.4	2.7143	1.29641
Observing managers performing simulated work activities (for example in assessment centres)	2.9	45.7	28.6	22.9		2.7143	.85994

Source: Survey Data, (2010)

4.3.2 Extent managers as a group possesses various competencies

The study further inquired on the extent managers as a group possesses various competencies. A likert scale of 1-5 where 1= very great extent, 2 = great extent, 3 moderate extent, 4 = low extent and 5= to no extent at all was used. Data was presented in mean and standard deviation. Results revealed in table 4.8 shows that most managers had knowledge management competencies and business competencies shown by low means of 1.71 and 1.74 respectively followed by technical competencies shown by a low mean of 1.88. The least cited competency was social competencies shown by a high mean of 2.08.

Table 4.8 Extent managers as a group possesses various competencies

	Mean	Standard deviation
Knowledge management competencies	1.7143	.62174
Business competencies	1.7429	.56061
Technical competencies	1.8857	.52979
Leadership and supervisory competencies	1.9143	.56211
Intrapersonal competencies	2.028	.5680
Social competencies	2.0857	.56211

Source: Survey Data, (2010)

4.3.3 Correlation

Inferential statistics namely Pearson's product moment correlation analysis was employed for the study variables. Pearson's product moment correlation tests were chosen in order to asses whether there is a relationship between the management development and managerial competencies.

Table 4.9 Correlation

		Management development
Management development	Pearson Correlation	1
	Significance(2-tailed)	.
	N	35
Managerial competencies	Pearson Correlation	0.409
	Significance(2-tailed)	0.009
	N	35

Source: Survey Data, (2010)

Results revealed in table 4.9 shows that there was a positive correlation between management development and managerial competencies as was shown by a high correlation figure of 409. This implies that management development has a strong relationship with managerial competencies.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The study revealed that majority of the respondednts, were males comprising 60 percent, while females comprised of 40 percent. In addition, most of the respondents between ages of 26 to 35 years comprising 60 percent while 20 percent were 36-45 years old. 17 percent were over 45 years old. In addition, majority of the respondednts were graduates comprising 80 percent followed by 11 percent who were post graduates. Only 9 percent had certificate or diploma level of education. Further, the study revealed that most respondednts had worked for a period of less than five years comprising 46 percent while 31 percent had worked for a period of between 5 and 10 years. Most of the respondednts were managers comprising 29 percent while 20 percent were bank officers.14 percent were customer care officials while 11 percent were human resource officers.

On the topic on the various factors that characterize a company's development practices, most respondents cited team work skills, leading skills, career management skills and empowerment of managers were the main factors that characterize a company's development practices shown by low means of 1.71, 1.80 and 1.84 respectively. The least cited factors that characterized a company's development practices were creation of a learning organization and personnel management skills shown by high means of 1.89 and 2.00.

On the area of management development at the bank, most respondents strongly agreed that development of their managers, particularly at executive level, could provide a key source of sustainable competitive advantage shown by a low mean of 1.54 followed by the fact that management development was aimed at the creation of a core team of individual managers who were committed to the growth and progress of the bank shown by a low mean of 1.66. The least cited statements that related to management development at the bank were that the bank allocates a large percentage of resources to management development initiatives that would help ensure that their managers are set up for success and able to handle the challenges effectively shown by a high mean of 2.1714 and that at the bank, training and management development specialists had been developing competency frame-works at every level of management shown by a high mean of 2.257

On the topic of how various approaches were used by the organization to identify the level of managers competencies associated with effective performance, asking managers about their response to critical incidents was the main approach used shown by a low mean of 2.4 followed by asking managers about their beliefs in the competencies that were necessary for them to perform their roles effectively shown by a mean of 2.5. The least cited approach used by the organization to identify the level of managers competencies associated with effective performance was observing managers performing simulated work shown by a high mean of 2.7.

On the extent managers as a group possesses various competencies, the study established that most managers had knowledge management competencies and business competencies shown by low means of 1.71 and 1.74 respectively followed by technical competencies shown by a low mean of 1.88. The least cited competency was social competencies shown by a high mean of 2.08.

5.2 Conclusion

The study concludes that there is a relationship between the management development Practices and managerial competencies in the Commercial Banks in Kenya. The study concludes that banks that had managers with virtuous management development practices particularly at executive level, provided a key source of sustainable competitive advantage to the institution. In addition, managers competencies was associated with effective performance and their ability to respond to critical incidents.

5.3 Recommendation

The study recommends that for an effective relationship between the management development Practices and managerial competencies in the Commercial Banks in Kenya, managers ought to have competent management development skills. Management development provides an opportunity to identify and develop people with respect to competencies required for job performance. In addition, managers in the organizations ought to have high competency. The advantage afforded by the more successful employee's competencies can usually be replicated throughout a business.

5.4 Area of further research

This study aimed at establishing whether there is an effective relationship between the management development Practices and managerial competencies in the Commercial Banks in Kenya. More research needs to be carried out on other institutions such as government parastatals.

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Appendix I: Questionnaire

SECTION A: BIO DATA

You are requested to fill out your personal information in the spaces below. Please tick only one response.

1) Gender

    Male [ ]

    Female: [ ]

2) What is your age?

    18-25 [ ]

    26-35 [ ]

    36-45 [ ]

    46 and above [ ]

3) Level of education

    Primary Level [ ]
    'O' Level/KCSE [ ]
    'A' Level [ ]
    Certificate/Diploma [ ]
    Graduate [ ]
    Postgraduate [ ]

4) How long have you worked at the bank?

    Less than 5 years [ ]
    Between 5 and 10 years [ ]
    More than 10 years [ ]

5) Position held in the bank? ……………………………………………………………………

SECTION B: MANAGEMENT DEVELOPMENT

6) To what extent do the following statements characterize your company's management development practices?

	Very great extent	Great extent	Moderate extent	Little extent	Not at all
Team work skills					
Emphasis on planning skills					
Organizing skills					
Leading skills					
Resource development skills					
Career management Skills					
Personnel management Skills					
Change management skills					
Multiple skills					
Creation of a learning organization					
Empowerment of managers					
Training needs analysis					

7) What is your level of agreement with the following statements that relate to management development at the bank? Use a scale of 1-5 where 1= strongly agree while 5= strongly disagree.

	1	2	3	4	5
Management development is aimed at the creation of a core team of individual managers who are committed to the growth and progress of the bank					
Investment in management development can have a direct economic benefit to the organization					
In the long run, management development lead to increased efficiency and profitability as the management talent in the organisation grows stronger and stronger.					
Management development programmes at the bank are based on training needs analysis which identifies a set of management competencies which it is hoped will deliver better competitive and commercial practice					
The management development programmes pay attention to higher order competencies which enable managers to use these educational or technical abilities to make a difference to the organisation					
The bank allocates a large percentage of resources to management development initiatives that would help ensure that their managers are set up for success and able to handle the challenges effectively					
Managerial competencies are developed both through training and exercise					
The strategies in managerial competence are aimed in the future and need to take different kinds of development operations into use					

Managers at the bank are continually trained to manage the challenges brought about by the waves of rapid and dynamic change.					
Development of their managers, particularly at executive level, can provide a key source of sustainable competitive advantage					
At the bank, training and management development specialists have been developing competency frame-works at every level of management.					

MANAGERIAL COMPETENCIES

8) To what extent are the following approaches used by your organization to identify the level of managers competencies associated with effective performance? Use a scale of 1-5 where 1= very great extent and 5= to no extent at all.

	1	2	3	4	5
Observing managers at work					
Observing managers performing simulated work activities (for example in assessment centres)					
Asking them about their response to critical incidents					
Asking managers about their beliefs in the competencies that are necessary for them to perform their roles effectively					

9) To what extent do your managers as a group possesses the following competencies?

	Very great extent	Great extent	Moderate extent	Little extent	No extent at all

Technical competencies					
Business competencies					
Knowledge management competencies					
Leadership and supervisory competencies					
Social competencies					
Intrapersonal competencies					

COMMERCIAL BANKS IN KENYA

1	BARCLAYS BANK
2	KCB Bank
3	Stan-Chart
4	EQUITY BANK
5	CO-OP BANK
6	Citibank N.A
7	CBA
8	Diamond Trust Bank
9	National Bank
10	NIC Bank
11	I & M Bank
12	CFC STANBIC
13	Bank of Baroda
14	Imperial Bank Ltd
15	Bank of India
16	Prime Bank
17	Bank of Africa
18	Housing Finance
19	Family Bank
20	HABIB AG ZURICH
21	Fina Bank
22	Chase Bank
23	Victoria Bank
24	ABC Bank
25	Habib bank
26	Devt Bank
27	Trans National
28	Guardian Bank
29	Giro Bank
30	ECOBANK
31	Consolidated Bank
32	Credit Bank
33	Oriental Bank
34	Equitorial bank
35	Paramount Univ Bank
36	Fidelity Bank
37	Dubai bank
38	Southern Credit
39	MIDDLE EAST
40	City Finance Bank
41	First Community
42	GulfAfican Bank
43	K-Rep

Source : Kenya Bankers Association (2010)