

**THE DEVELOPMENT OF A FRAMEWORK FOR
MANAGEMENT DEVELOPMENT IN THE LIBYAN
OIL SECTOR: A CASE STUDY OF THE
UPSTREAM OIL COMPANIES**

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IN THE NAME OF ALLAH, MOST GRACIOUS, MOST MERCIFUL

DEDICATION

Much-loved Parents

“And your Lord has decreed that you worship none but Him; and that you be dutiful to your parents. If one of them or both of them attain old age in your life, say not to them a word of disrespect, nor shout at them but address them in terms of honor” (Qur’an, Surat Al-Isra (17), Ayah 23).

Best Brother

For his full support and an endless encouragement

Dear Wife

For her continuous bear, patient and love

Eldest Sweetheart Daughter

For her full help, prayers and patience

Honey Sons and Daughters

Alaa, Mohamed, AbdulRauf, Asraa, Suzan, Fatima

Hoping to be a candle that lights their future

Beloved Sister, Brother and their families

For their incessant support, encouragement and love

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ABSTRACT

Due to increased globalisation of markets and liberalisation of local economies, businesses all over the world are developing increasingly competitive strategies. Management development is central to the success of these strategies. Therefore there is an increasing interest in management development and human resources development in Libya. The hope being that these forms of development can improve, and upgrade, the performance of Libyan human resources to achieve the required level of effectiveness, and to attain competitiveness in the world economy. The main objectives of this research are to develop the framework to implement management development programmes and to analyse the current management development practices in Libyan organisations and explore the extent to which transference of Western management development practices, if such transference is possible, has in fact occurred. The study carried out was essentially an evaluation to assess the value of management development; the specific focus of this evaluation was on two comparative cases in the Libyan oil Industry. The research project was carried out in the oil sector which has a particular importance to Libya's economic prosperity and should be the first place that management development takes place, but equally would be the best place for the transfer of Western management practice to occur.

A case study design was used which involved an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. The main data collection tool was a questionnaire which meant that all the completed responses could be collected within a short period of time and any initial doubts that the respondents might have on any question were clarified on the spot. This also allowed the introduction of the research topic and meant the respondents could be motivated to offer their frank answers. Telephone interviews were used in retrospectively to gather specific information regarding management development within the companies which allowed triangulation. Reliability analyses using Cronbach's alpha as well as univariate analysis were carried out as were multivariate analyses such as factor analysis (FA) and multiple logistic regression. The non parametric Mann-Whitney test was used to evaluate the association between the instruments (scale).

The results of this study show that there is no priority given to manager development at a strategic level in either of the companies. There is no senior endorsement of management development via a written management development policy and no systematic mechanisms for accurately diagnosing group/individual training needs nor any evaluation processes to ensure training remains high quality and business-focused in place at Waha or Repsol either. The Libyan environment and Arab culture have negative effects on perceptions of training in general, and management development in particular, which leads to no serious attention being given to the implementation of management development activities.

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LIST OF ABBREVIATIONS

AC	Arab Countries
AGC	Arab Gulf Countries
CBL	Central Bank of Libya
EU	European Union
FA	Factor Analysis
GDP	Gross Domestic Product
GPC	General People's Congress
GPC	General People's Committee
GSESR	General Secretariat for Education and Scientific Research
GSPLAJ	Great Socialist People's Libyan Arab Jamahiriya
HCIMT	High Centre for Industrial Management Technology
HRD	Human Resources Development
HRM	Human Resource Management
IMF	International Monetary Fund
IOCs	International Oil Companies
LD	Libyan Dinar
LPG	Liquefied Petroleum Gas
MD	Management Development
MDP	Management Development Programme
MNC's	Multi National Companies
MT	Management Training
MTD	Management Training and Development
MTDPs	Management Training and Development Programmes
NAID	National Agency of Information and Documentation
NHDR	National Human Development Report
NOC	National Oil Corporation
NVQs	National Vocational Qualifications
PCA	Principal Component Analysis
ROO	Respol Oil Operations
SMC	Squared Multiple Correlation
SOP	Secretariat Of Petroleum
UN	United Nations
UNDP	United Nations Development Programme
USD	United State Doler
WOC	Waha Oil Company

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CHAPTER ONE

INTRODUCTION TO THE RESEARCH

1.0. Introduction:

All over the world as local economies face liberalisation businesses are developing increasingly competitive strategies. There is no doubt that management development (MD) is central to the success of modern organisations and in many ways bears the central role of ensuring a work-force capable of responding to the competitive needs of the increasingly global framework in which modern organisations function. Argyris, 1994 argued that business and industry will find it hard to survive in the 21st century unless employees are adequately equipped with the skills needed to allow them to increase significantly their contribution to organisational goods and objectives. It is nearly impossible to build human capital; considered a basis for sustainable development, without special educational, training and development programs for human resources (Al-Geryani, 2005). According to Lee (2007, p.98)

“there has been much debate recently about globalization and globalism’, the debate has occurred within the media, linked to cultural imperialism, to free trade, and to issues of poverty and development, and also within Human Resource Development (HRD) circles, linked to standardization of professional criteria, course provision”.

This accounted for the changing approach to human resource development (HRD) issues in the international scene under the impact of globalisation, (Weir, 2000). There are a number of terms in use for International HRD, it is also known as cross-national HRD, transnational HRD, and global HRD) this concept, despite what it was called, was beginning to influence not only how national HRD policy was being formed, but also what HRD issues and challenges were being faced by a developing country (Wang and McLean, 2007). Despite tremendous investments in education and training in the Arab Gulf countries, the supply of indigenous manpower is still below demand for example;

“...in 1985 expatriates represent 61% of the labour force in these countries and almost 40% of their total population”

Atiyyah, (1996 p.100)

Libyan organisations face problems because of a lack of skilled managers, which affects the productivity of these organisations (UNDP Report, 20003). The report states that Arab countries have to adopt three important principles to be modernised, which are, human investment through education and training, viewing workers as intellectual assets, and implanting and nurturing innovative, developmental and cost saving behaviours in companies and government. According to Tregaskis et al. (2001, p. 100)

“The two most critical issues to be considered in any investigation of human resource development are. First of all does country context influence organisational HRD practice? Secondly, do Multi-national companies (MNCs) localise their HRD practices to account for national demands?”

In this research into management development (MD) the same two questions are asked in the Libyan context. There is a very serious gap in the knowledge concerning this topic, and this study of both human resource development (HRD) in general, as well as MD in particular will fill that gap. A number of studies into the area were carried out nearly ten years ago however this research is intended to bring knowledge of MD in the Libyan context up to date. HRD is considered at an individual, organisational, national as well as international level in light of the effect that globalisation is having on the need for greater competitiveness in firms. A much more recent development is the pressure being placed on oil producing countries to improve their effectiveness and increase production in order to meet the demands of the global market.

Globalisation has highlighted patterns of ‘uneven’ economic and social development and made more visible disparities in education and skill levels (Stiglitz, 2002; UNDP, 2003; World Bank, 2003). As a consequence, there has been a growth in comparative and international HRD scholarship, both in terms of unravelling the nuances of global HRD systems, and in identifying the societal and cultural practices that shape HRD and learning in different geographic locations. Weir (2000) suggested that the Arab paradigm may prove to be specially advantaged or disadvantaged in facing the challenges of a new era. Mainly because there is a greater need to understand Human Resource Management (HRM) and its HRD aspects in Arab organisations in terms of the characteristic modes of management that prevail in Arab cultures. The context of HRD activities may be very different from that encountered in western organisations (Weir, 2000 and Weir, 2003). Employees have a very important role to play in

achieving the goals of an organisation, especially in developing countries such as Libya. Therefore, MD is important factor in improving employee's skills and abilities to achieve the predefined management goals of any organisation. Employees should be sufficiently skilled to perform effectively. In this chapter the background to the area of research is presented, in the first section human resource development (HRD) is considered, and its definition, purpose and contribution are highlighted. Next national and organisational HRD are investigated in sections of their own and finally management development (MD) and the need for greater research in this particular area is presented as the rationale for this study.

1.1. Human Resource Development

Human resource development is concerned with the implementation of systems to develop the competencies of any organisations human resources, (Garavan et al., 1999). There have been many debates about the whereabouts of the development of the concepts of HRM and HRD, it is believed that (HRM) and HRD were not only developed in the United States of America but also bear the imprint of the U.S.'s universalistic research paradigm (Brewster et al., 2004). Additionally it is hoped that HRD professionals if they have greater knowledge will be more able to design and implement MD programs that are more applicable and better suited to their organisations particular context (Wang & Wang 2006).

HRD research and theory in the middle decades of the twentieth century came to underpin the contingency-based models of strategy that emerged in the 1970s and 1980s. Those models sought to couple human resource strategy with business strategy in order to achieve competitive advantage, (Harrison, 2002). Hard HRD models came from the Michigan School and were influenced by the work of strategic management writers, such models relied on a close interconnection between business strategies, organisational structure and HR processes of selection, appraisal, rewards and development. (McGuire and Jrgensen, 2011) the approach was rational and deterministic, with an emphasis on social engineering. A softer approach was typified by the 'mutuality model' from the Harvard School, in this model close relationship between business strategy and HR strategy, was preserved but the main aims were to install certain fixed HR elements, and to achieve certain universal goals, regardless of the particular organisational context.

The desired outcome of this 'high commitment' developmental approach was to produce resourceful humans rather than having to adopt an overtly controlling approach to the management of human resources. According to Tregaskis (1998, p. 136)

“...an organization’s human-resource development (HRD) system is a key mechanism for enabling the achievement of business goals through what has been argued to be one of the few remaining sources of competitive advantage, namely, people, it is also closely linked to national contextual factors”.

Literature on HRD is generally preoccupied with identifying the factors that trigger HRD activity and proving that there is a causal link between human resource development investment and organisational and business performance. McGuire and Jorgensen (2011) argue that HRD is primarily triggered by organisational strategy, external labour market strategies, changes in internal labour market needs, and the value systems within an organisation. There is a great need for more attention to be paid to definitional matters and the types of values and assumptions about organisations and managing that underpin much of the academic debate within HRD. According to Metcalfe & Rees, (2005) more attention must be paid to the debates that are ongoing about the social and ethical responsibility of HRD, therefore by implication highlighting the fact that HRD has a key role in developing communities. Woodall et al. (2002, p. 341) in reviewing convergence and divergence in HRD roles and practices across Europe, highlighted that “...it has to be acknowledged that the contextual factors in mainland Europe are an important influence upon HRD outcomes”.

1.2. National Human Resource Development

Globalisation has also paved the way for greater cross-cultural communication and necessitated greater awareness of diverse management and business values as important aspects of competitiveness at a national level (Sklair, 2002; Sparrow et al., 2004; Kiessling & Harvey, 2005). McQuire et al. (2002) have drawn attention to the culturally bounded nature of national HRD literature and practice. Similarly, McLean (2004) and Cho and McLean (2004) have proposed separating out national HRD practices in relation to whether a country is a developed, developing or transitional society and also the extent to which HRD policy is centralised or decentralised. Although individual companies working in one nation are free to develop their own understanding of HRD, and although nations work at developing an understanding of national HRD, it becomes

critical for organisations that work across nations to define IHRD to accommodate common themes that relate to cross-national or transnational HRD activities, (Wang & McLean, 2007). According to Lynham and Cunningham, (2006) a glance across national cases reveals insights to build on what is already known about the emergence and nature of (HRD) and the national level, national human resource development (NHRD), specifically in the context of the developing world.

When nations are the targeted performance system, the purpose of HRD becomes to develop and unleash human expertise for national economic performance, political and social development, growth, and well-being by enabling and enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organisations (of all types), and thereby the nation as a whole (McLean, 2004; McLean & McLean, 2001). National context can be considered a key predictor of organisational HRD practice, however, globalisation has introduced many changes, one of which has been the increasing presence of foreign multinationals, or multinational enterprises (MNEs), in host countries (McLean, 2004). Under such conditions, there is a need to compare the role of the host-national context to that of the parent in shaping MNE management practice at an organisational level.

1.3. Organisational Human Resource Development

“HRD priorities at an organisational level of analysis are determined by organisational decision makers rather than by individuals” Garavan et al. (2004, p. 422). There is, however, some evidence to indicate that individuals may influence the less central or core elements of HRD, such as program design and delivery, but have limited impact on the organisation’s overall HRD agenda. Garavan et al. (1999, p. 169) believe that it was necessary for, “a broader purpose and a more holistic paradigm to emerge for HRD to be able to make a valued contribution to today’s organisations”. This broader purpose of HRD might be to develop and unleash human expertise to improve the performance and sustainability of the organisation by enhancing the learning and performance capabilities of individuals, processes, and social subgroups within the organisation and the organisation as a whole (Swanson, 1999; Swanson & Holton, 2001, 2005). Swanson & Holton (2001) put forth a theory of human resource development (HRD) that specified the definition and purpose of HRD, and identified three core contributing

theory domains (psychological theory, economic theory, and systems theory), (Swanson 2007).

In the theory of psychology HRD must clarify the goals of individual contributors, work-process owners, work teams, and organisation leaders. Additionally it must develop the knowledge and expertise and harmonise the goals and behaviours among individual contributors, work-process owners, work teams, and organisation leaders. In the theory of economics HRD must justify its own use of scarce resources and by adding value to the organisation create long-term sustainable economic performance. In addition it must add short-term and long-term value from investments in the development of knowledge and expertise in individuals and groups. Finally in the theory of systems HRD must understand how it and other subsystems connect and disconnect from the host organisation. Additionally it must help its host organisation retain its purpose and effectiveness and shape alternative futures.

The HRD profession is an applied, goal-oriented field dedicated to helping diverse work systems solve problems, develop and improve (Bates & Chen, 2004). Because value orientations provide relatively enduring evaluative standards, that people can use to make decisions about how things should happen, they have the capacity to motivate individual behaviour and affect specific actions. Therefore, defining and measuring value orientations are important, because these orientations help to determine how HRD professionals perceive and make decisions about HRD activities and outcomes (Bates & Chen, 2004). Such research may provide potentially important insights into how HRD is practiced and how activities and actions may be ordered in a given situation.

Although a great deal has been written about HRD in general there are fewer studies which deal with MD specifically. In studying HRD systems, Mabey (2004) took a social constructionist position to emphasise the role of perceptions and enactment in shaping MD priorities and policies. Thompson et al. (2001, p. 119) believes that “organizations with a policy statement according management development a high priority and taking responsibility are consistently more likely to also conduct succession planning and to have fast-track programmes for managers; this is particularly pronounced for management development priority”. Perceived impact of MD is also far more likely to be registered as positive where these HR processes are in place. Such

policy statements can be a key component in attempts to create strategically focused MD (Mabey, 2002).

1.4. Management Development (MD)

“Despite the wide currency and use of the term management development (MD) between scholars in the management field there is no specific agreed definition between management scientists”, Huczynski (1983, p. 1). The reason for the difference in perception is because organisations and individuals choose only one MD perspective as their underlying approach to management development (Huczynski, 1983). Therefore, there are a lot of definitions for MD derived from a range of perspectives. This research argues that an organisational emphasis on the MD function is likely to be central to moving developing economies into a more competitive position in the global economy. Those organisations that give priority to MD might more successfully meet their own goals and play a significant role in driving the whole economy as it moves into internationally competitive markets, (Wang et al., 2009). In such conditions the aim of MD should be to increase workgroup and organisational effectiveness which, in turn, is a function of the interaction between the characteristics of the organisation, that is, environment and people. Furthermore MD should bear strategic importance and must be used as a competitive weapon for continued organisational survival and success (Hussey, 1988). Management Development programmes are, therefore, designed to increase managerial effectiveness by providing the working managers with additional knowledge and skills.

There is a debate however about what the purpose of MD should be and even about what actually constitutes management development. Even at an individual level it is a common experience that, “when asked how they developed for their jobs as managers individuals will reply that they ‘learned from experience’,” Mumford (1995 p. 21). Formal MD processes, whether described as the total system which might move people from one job to another, or the appraisal process, or attendance on courses, were very rarely highlighted even where managers had participated in such formal processes (Gold et al., 2010).

According to Olesen (1999) MD is provided both for the company’s own purpose, to make people more productive and effective, and also because employees themselves

have a desire to progress and to learn. Keep (1992) points out that MD activities affect relative economic performance and competitiveness both at the level of the individual enterprise and the national economy. A company that offers employees the opportunity to improve and add new skills, thereby making them more valuable to current and future employers, may be more successful in attracting new employees and even retaining existing ones, than those lacking such programmes. Woodall and Winstanley (1998, p. 4) believe that MD is, "... a process of acquiring knowledge and skills in order to improve current or future managerial performance". De Simone et al. (2002 p. 515) point out that, "The changes that have occurred in organizations in the past decade have only complicated this picture". In the past research studies looked at management in hierarchically structured organisations operating in relatively stable environments. More recently organisations have had to respond to environmental challenges to stay competitive and the structures and strategies they use for MD have changed. This underscores the need for HRD professionals to identify what the management job is (and needs to be) in their own organisation before they can design and deliver MD processes and programs that will meet the needs of their own business and contribute to its competitiveness and effectiveness.

1.5. Management Development in Libya

Recently, countries have been giving more attention to the manager responsible for the achievement of the goals of competitiveness and effectiveness in various organisations. This attention has taken various forms but all of them seek to train and develop these managers and serve as a basic link between the countries and people on one side and their future on the other (McGuire and Jrgensen, 2011) .Many developing countries, including Libya, "...have paid a great deal of attention to national economic and social problems, but less attention has been given to managerial and organisational problems, which have an important impact on the performance of development plans", Abbas (1996 p. 20. In implementing their economic development plans, these countries need managers, and other professionals, but at the same time they are surrounded by a complex and changeable environment in terms of increases in organisation size, technological advancement, labour movement, high inflation and a competitive world market. For this development to succeed,

“...a large managerial workforce needs to be developed and prepared effectively this is because managers are working in the most dynamic elements in business

and industry, the performance level of such organisations depends on the quality of their managers, and an effective managerial workforce that can solve economic, social and even political problems”.

(Abbas 1996, p. 21)

Managerial effectiveness is strongly dependent on appropriate decision-making procedures, and these depend on the skills, knowledge and attitudes of the managers who make them. Managers need to acquire appropriate knowledge and skills to enable them to create solutions for their difficulties and problems and to take appropriate decisions. In Libya management training and development has comparatively recently become an issue Almhdié & Nyambegera, (2004). After oil was discovered in the 1960s and the revolution took place in 1969, the size of industrial and business organisations became larger than ever before. The country created a new cadre to manage these organisations, with new recruitment and promotion procedures, which created new problems and a need for more training and development. There has been some previous research that has highlighted problems in the contemporary situation. For example Fituri (1992) when looking at training in the WAHA Oil Company pointed out that senior managers in Libya are the most important group of human capital in organisations and that they had needs for management training and development that were not necessarily being met and there was a real need for qualified managers, professional institutes and integrated programmes.

However, little is known recently about MD in Libya, or indeed in the Arab world generally, previous studies include (Atiyyah, 1993; Abdalla & Al-Homoud, 1995; Agnaia 1996a and 1996b, 1997). With only these few studies available which are not empirically based and which tend to be subjective in nature, it is not yet possible to accurately evaluate MD in that part of the world. This study by investigating MD in the Libyan context with reference to the affects of globalisation, multi-national companies MNC's and Libya's new relationship with the West is a contribution to that understanding.

1.6. The Significance of the Oil Sector

In Libya, as in many Arab oil-producing countries, the oil sector suffers from a serious shortage of qualified people at many levels (Agnaia, 1996), and although Libyanisation

of the oil workforce started in the early 1980s, Libya still suffers from a shortage of national skilled workers and technicians in the oil sector. Ghiadi (1986) mentioned that the problem in the Libyan oil sector was due to the lack of qualified personnel who had graduated from the Libyan educational institutions. Consequently, all the Libyan oil companies still rely on expatriates in many jobs (Porter & Yergin, 2006). Budhwar and Debrah (2001) suggested the need for sector-specific human resources management practices in oil-dominated countries and observed that Libyan oil companies suffer from an acute shortage of competent employees.

In the early seventies, the Libyan oil companies started training and development program by sending high school students to American universities and to British polytechnic institutes mainly to study for City & Guilds. By the late 1970s all oil companies started to see benefits from these training and development programs by receiving the first generation of correctly educated and trained individuals. These training and development programs became very important during the 1990s, when the oil companies spent more money on training and development and more opportunities were given, but the problem of the shortage of competent employees still exists (Budhwar and Debrah, 2001).

From an international perspective, Libya is keen to capitalise on its new position. The improved geopolitical landscape has led to increase in foreign investors with an interest in Libya (Porter & Yergin, 2006). Although the authorities are keen to attract investment in all areas of the economy, the oil sector is attracting the most attention. (Eversheds et al, 2002) stated that a five year development plane of US\$35 billion has been forecasted identifying significant priority areas for investment and the oil sector constitutes the highest potential. For instance (Eversheds et al, 2002) stated that in the UK, the development of trade and industry strongly support companies investing in Libya and it is generally perceived that Libya represents a good investment opportunity for UK companies. This is because Libya's proven oil reserves stood at 36 billion barrels at the end of 2002; according to the British oil giant (BP), equivalent to 3.1% of world reserves (British Petroleum, 2004). Although gas reserves are small an global terms-1.3 trillion cubic meters, or 7% of world reserves the oil sector is attracting a lot of interest. Libyan oil industry estimates suggest that both oil and gas reserves could be a lot higher than these figures suggest. Exploration work in the 1960s identified at least ten fields of billion-barrel size. Modern techniques could uncover more. Vast tracks of

acreage remain unexplored and exploration licenses cover only one-third of the country's surface area (Quinlan, 2004).

In fact Porter & Yergin (2006) argue that Libya needs to significantly increase its annual funding for oil and gas activities, to almost US\$ 3.5Bn. The oil sector in Libyan has been used far beyond the scope of economic development over the years it has also been used socially and politically (Ejigu & Sherif, 1994). These political and social goals include nation-building and socialisation. Secondly, "the oil sector constitutes the main source of Libyan income, with export revenues accounting for 95% of Libya's hard currency earning and around 75% of the government expenditure" (Bahgat, 2004 p. 100). Thirdly, potential future investments in the oil sector are very high, as shown by the recent successful licensing bid by a group of oil giants (Libyan TV, January, 2005; NOC, 2009). The fourth reason for choosing this sector to study is that, Libya is in a transitional phase from a central economy to a free market economy and more research in the area of management is required in all sectors, to investigate the claim that MD can lead to increased competitiveness. Also at an international level since the early 2000s, Libyan crude oil has become important for European countries as North Sea Crude oil can not fulfil Europe's demand due to its declining production. Therefore, in order to diversify its sources of energy, the EU is showing great interest in Libya (Bahgat, 2004).

1.7. The Need for this Research

The justification for this study comes from the increasing interest in MD and HRD in general and in Libya in particular. The success of organisations is highly dependent on the effectiveness of its individuals who are responsible for management duties (O'Reilly & Pfeffer 2000). Armstrong, (2003) supports the need for these individuals learning by stating that training and development should be considered a part of career development for managers that include both analytic and experiential side of management. Defined as the systematic acquisition of skills, rules, concepts, or attitudes that result in improved performance (Goldstien, 1993), training and development has become part of organisational learning and change, employee evaluation, and career development (White & Mackenzie-Davey, 2003). However Almhdie (2003) argues that there is no benefit in Libyan oil companies from imported management packages, since they have not been adjusted to suit Libyan culture, and Mendonca (2000) confirms the need to recognise that management practices and techniques are dictated by a unique

construction of different cultural and institutional factors, and that those developed in the context of western cultural values, cannot be adopted in developing countries like Libya. Although Libya has, from the outset, been attempting to diversify its economic base, with strong emphasis on industry, it has largely neglected the human factor in the development equation. Much attention has been paid to national economic and social problems, but less to managerial problems (Aгнаia, 1997). According to the United Nations, Libya's co-operation framework for 2003-2005 raises human resource development and capacity building as one of the main issues (UNDP DPCPO, 2002). One of the fundamental deficits in the Arab countries mentioned in the National Human Development Report is the shortage in knowledge in absorption, application and creation, and despite higher spending on education than most other world regions, major concerns persist including inadequate coverage, high failure and repetition rates, poor quality and a low level of knowledge attainment and limited analytical and innovative capacity (UNDP DPCPO, 2002).

1.8. The Research Outline

1.8.1 Research Aim

The aim of this research is to develop a framework in order to assist in the implementation of MD in Libyan oil companies and to evaluate the applicability and transferability of western models of MD to the Libyan companies.

The research has been designed in such a way that the literature reviewed and laid out in the framework shown in Fig 1.1, has guided the direction of thesis and starts with the fact that national HRD which is based on the culture prevalent in country will affect MD as will the sector in which an organisation operates. The diagram starts from management development organisation strategy and its objectives will be influenced in turn as performance improvement is demanded in increasingly competitive markets brought about by globalisation. This global influence which is brought to bear on national, organisational and even managerial culture will also impact on the applicability and transferability of MD strategy, policy, theory, models and approaches. The values, responsibilities, boundaries and even the purpose of MD can be viewed differently by, nations, sectors, organisations and even individual managers, all of which will influence its implementation. These factors are all to be considered as a part of this research.



Figure 1.1: The Research Framework

1.8.2 Research Objectives:

1. To review the current body of knowledge in management development to critically examine practices in Libyan oil sector.
2. To examine Libyan culture and environment to discover their influence on human resource and management development.
3. To assess the applicability and transferability of western MD models to the Libyan context.
4. To study the impact of external factors (Political, Social, Economic and Technological) and internal factors towards effective implementation of management development in Libyan oil companies.
5. To develop a framework to enable adaptation of management development to improve practices in the Libyan Oil sector.

1.9. The Research Contribution

Budhwar and Debrah (2001) stated that currently there is a need to research and emphasise what kind of human resources policies and practices are relevant for developing countries. Hence, it has now become important to understand how human resources are managed and what key factors influence HRD in developing countries. Therefore, this study will contribute to the HRD literature by raising such awareness of

MD in the context of Libya. Additionally, it will contribute to knowledge by identifying the key factors affecting MD programs in Libya. Also, the study will contribute towards an improvement of the understanding of MD practices by adding something new about the development of management in the Arab countries, and presenting new knowledge to expand the existing literature in the area. Additionally, during literature review, the research has found a lack of scholarly work regarding MD practice in the West in comparison to Libya, and this study will consequently provide an opportunity to enhance the literature.

1.10. Structure of the Thesis

The thesis is divided into eight chapters:

Chapter One: Highlights the global, national and organisational aspects of HRD and indicates the need for research into MD as its importance increases in highly competitive world markets. As implementation of adequate MD strategy and policy can be affected by social, political, cultural and economic factors. The first chapter of the literature review looks at these aspects; therefore

Chapter Two: Discusses the background to the Libyan environment, by presenting a P.E.S.T. analysis and investigates the impact of these factors on Libyan management development. Additionally the next chapter of the literature review

Chapter Three: considers the ways in which the western concept of management development might be applicable or otherwise, to the non-western environment of Libya. It concentrates on the issues of national and organisational culture and their impact on management development in developing countries in general and Libya in particular. The final chapter of the literature review

Chapter Four: undertakes a comprehensive investigation of the need for HRD and MD as well as the debates and issues that surround them. Theories of HRD are considered as is the limited literature regarding models of MD and approaches to it. Finally culture and HRD is investigated to highlight the applicability/transferability of Western management development practices to transitional societies.

Chapter Five: discusses the research methodology employed for the study. It contains a review and discussion of research methods, their advantages and disadvantages. It describes the research philosophy, research approach, research design, and data collection methods. Additionally, it provides a justification for adopting each of these approaches, and details the data collection method and the tools of analysis employed.

Chapter Six: provides an insight into the cases to be studied and the documentary and anecdotal evidence concerning the value, contribution and purpose of management development within each company. As well as the analysis of the data collected.

Chapter Seven: provides a discussion of the analysis of responses of the surveyed Libyan managers, about the state of management development in two Libyan oil companies. The discussion of the findings drawn by the research in the light of the conceptual framework and research aim, objectives and the information gathered from literature reviewed is also presented.

Chapter Eight: Concludes the thesis as a whole, significant findings from the analysis are highlighted and linked to the literature reviewed, conclusions are drawn with regard to the aims and objectives and theory set out for this research. Additionally in this chapter the research indicates the contribution this study has made to knowledge of management development in Libya today. Finally the limitations of the research carried out are highlighted and suggestions and recommendations for future research both in the area of Libyan management development are offered.

This study investigates the problems and obstacles facing MD by exploring the values, responsibilities, boundaries and even the purpose of MD programmes in two companies which are organisationally structured differently, but both operate in the Libyan oil sector. The next three chapters are reviews of pertinent literature, in the first the background to the Libyan environment, through a discussion of geographical, historical, political, economic, social, and technological developments and their impact on Libyan management are investigated.

CHAPTER TWO

THE POLITICAL, ECONOMIC, SOCIAL AND TECHNOLOGICAL ENVIRONMENT OF LIBYA

2.0. Introduction

Before reviewing whether the western concept of a management development (MD) performance paradigm might be applicable or otherwise, to the non-western national and organisational culture of Libya, in chapter three and the human resource/management development literature in chapter four, it is important to review the Libyan environment in which this study is taking place. This is due to the fact that as mentioned in the introductory chapter, Tregaskis et al. (2001) pointed out that one of the most critical issues to be considered in any investigation of human resource development is does country context influence HRD practice. Many developing countries, including Libya, have paid a great deal of attention to national economic and social problems, but less attention has been given to, “managerial and organisational problems, which have an important impact on the performance of national development plans”, Almhdie and Nyambegera (2004, p. 178). In implementing their economic development plans, these countries need managers, and other professionals, but at the same time they are surrounded by a complex and changeable environment in terms of increases in organisation size, technological advancement, labour movement, high inflation and a competitive world market.

Therefore in order development to, succeed, a large managerial workforce needs to be developed and prepared effectively, (Almhdie and Nyambegera, 2004). The development of any country depends on the effectiveness of different organisations, industries, business, services and professionals in both public and private sectors. The success of those organisations in achieving their objectives depends largely upon the effectiveness of their managers as well as other professionals. Because managers are working in the most dynamic elements in business and industry, the performance level of such organisations depends on the intellectual capacity of their managers, (Sutherland, 2003) and the effectiveness of the managerial workforce to solve economic, social and even political problems. Since the MD concept is a western idea, (Weir, 2000) reviewing the Libyan political, economic, social and technological

environment will provide an opportunity to explore the extent to which this, performance led philosophy, can be applied to the Libya context.

This chapter therefore focuses on the Libyan environmental conditions that have influenced its present MD thinking. The main elements that are looked at in this chapter are those political, economic, sociological and technological factors, that all impinge upon the development of management, and hence the improvement of managerial talent in Libya. But first of all this chapter considers Libya's geographical and historical background.

2.1. Background to Libya

It is worth noting the particularity of Libya if compared with the rest of North-African countries which shared several institutional characteristics and historical backgrounds. Two factors have profoundly affected the evolution of Libya, its oil wealth and the political changes implemented by Libyan leader, Colonel Qadhafi, since his rise to power. Qadhafi created his own political system which is theoretically, a grass-roots democracy providing an alternative between Western bourgeois Democracy and Communism. After a period of international isolation, Libya has recently inaugurated a new political course. Both the European Union and more recently the USA have been observing these changes closely, thus, aware of its strategic relevance, Libya aims to become a central interlocutor in the dialogue between the West and the Arab countries in the framework of Euro-Mediterranean Partnership, (Gavin, 2005).

According to Library of Congress (Federal Research Division), Country Profile April, 2005 the Libyan population stood at 5,631,585, including non-nationals, of whom approximately 500,000 are sub-Saharan Africans living in Libya. The 2004 Libyan census showed the population stood at 5,882,667. The population growth rate was estimated to be 2.4 percent at that time. The overall population density is approximately three persons per square kilometre, which is one of the world's lowest population densities. High population growth in Libya over the last 36 years has translated into high rates of growth in the labour force. Libya's population grew at rates of about 4 percent during the 1970s and early 1980s, before decelerating to under 3 percent in the 1990s, (IMF Report 2003). As a result, the working-age population and the labour force have been growing at about 1.5-4.0 percent per year in the 1990s and are projected to continue growing at those rates well past the current decade.

Any national human resource development (NHRD) policy must be based on the country's population. Hence, in looking at HRD it is necessary to understand the structure of the nation, its demographics, and its other geographical characteristics. The demographic reality is a formidable demand on public policy, particularly in education, food supplies, jobs, drinking water, environment and housing. Even oil-rich Gulf States are grappling with similar demands and pressures from this demographic reality and each have paid particular attention to MD, through the Arab Organisation for Management Development established in 1982.

In 1969, the monarchy was overthrown by a group of army officers on the 1st September Revolution, and The Revolutionary Command Council (RCC) took power, proclaiming the birth of the Libyan Arab Republic. Under a decree promulgated by the RCC in November 1976, provision was made for the creation of the General National Congress of Arab Socialist Union (ASU); the country's only permitted political party. Thereafter, in 1977, the ASU became the General People's Congress (GPC) and Libya then became a 'state of the Masses' or a Jamahiriya. At this time the term rentier state became applied to Libya and other Arab states with similar economic situations (El-Fathaly & Palmer, 1980). Rentier states are those which receive revenue from their raw material production under circumstances that do little to stimulate their overall economic development. Other production is very insignificant. One of the principles declared by the Libyan Revolution in 1969 was socialism, which led to state enterprises being the only form of enterprise allowed to operate. Accordingly, the industry sector became directly managed by the state agencies, and its objective is to achieve a high degree of self - sufficiency and self - reliance, and to create a non - oil economy. The Revolution Command Council adopted a program of comprehensive economic planning to decrease dependence on oil and the foreign capital and to provide a future based on the mobilisation of the potential of the masses. This strategy was deepened by the General Peoples Congress after the dissolution of the government and the transformation of the republic into the Jamahiriya in March 1977.

2.2. Political Developments since Independence

The General Secretariat appoints the members of the General People's Committee, which has the formal power to declare war, ratify treaties with other countries, and consider general policy plans and their implementation. In these and other functions, however, it is again subject to the advice of the General People's Committee and the

supervision of the General Secretary and General Secretariat, which make the final decisions. Yet it would be inaccurate to dismiss the GPC as a mere rubber stamp. It has functioned as a clearinghouse and sounding board, receiving the views of the masses (through lower level representative congresses, committees, and functional organisations) and transmitting them to the General Secretariat and General People's Committee. Conversely, it transmits the decisions of the national leadership to the masses, encouraging mass participation in the political system and lending legitimacy to General Secretariat decisions and policies through advice and formal approval. This new political system was a combination of socialism and Islam, which Qaddafi called the Third International Theory. Alvi, (1994 p. 159) pointed out that:

“This theory with its rejection of both existing major economic systems capitalism and socialism proposed an egalitarian approach to economic and social progress in which fulfilment of individual's basic needs were regarded as a matter of his/her right”.

The theory rejected private ownership of the means of production, as well as the profit motive. It contends that as long as the real “producers” (wage-earners) are paid wages in any system (capitalism or socialism), no matter how high their wages and fringe benefits are, they will always be exploited (Alvi, 1994). Therefore this theory proposes joint-ownership of production units with workers partnership, rather than increased wages and benefits, creating incentive strong enough to increase productivity. As a result there is a particular type of mass ownership within organisations that is legislated for in Libyan law. Elkabawi (2003, p. 114) states that, “everyone who works in an organisation, which actually produces goods, is legally entitled to a share of the profits generated from their labour”. This scheme of production sharing for partners, not wage earners is the most common method used to provide a group incentive for increased productivity in Libya. This scheme is also intended to institute a flexible reward structure that reflects an organisations actual economic position and is also expected to enhance employees' security and identification with the company, and to attract and retain producers more easily (AL-Geryani, 2005).

The production share system works, by dividing the annual profit of an organisation into three parts, which are then used to repay the government for the capital it supplied, contribute to the fixed cost the organisation for that year and finally reward the employees for their efforts based on the number of hours they have worked Elkabawi,

(2003). This system has existed in Libya for some time and its main goals are to reward an individual employee directly based on their contribution to the organisations production, make sure that responsibility is truly co-operative and finally the system makes sure that producers feel as though they are owners and are treated fairly. (Deeb and Deeb,1982) workers are members of the Producers' Congress which meets at least twice a year or sometimes more often depending on the business it wants to conduct. The Producers' Congress elects members of both, the Producer's Affairs Committees and PC with the Producer's Affairs Committees consisting mainly of people engaged in semi-skilled work with no executive power (Farhat, 1979).

Management decisions are taken by the PCs which is headed by a secretary elected by people working in an establishment in addition to highly educated employees with long working experience in that establishment. The secretary of that PC works full-time for a period of three years and receives the same salary as he/she did before the election to that position with additional allowances. The other members of the PC retain their positions (usually departmental heads) in the establishment during their tenure. There have recently been some astonishing changes in Libya's stance against the US and the EU these changes have brought the country out of its political and economic isolation, (UNDP DPCPO 2002). The recent policy change has Libya's economy, but also its political reputation, benefiting from this new openness. A better relationship with the EU and the US seems the only way to successfully diversify its economy.

2.3. Libyan Economic Environment

Having an understanding of the economic environment in Libya is important as a turbulent political and economic environment remains one of the main reasons for the strong risk-avoidance tendency among Arab businessmen, (Atiyyah, 1993). These business men are likely to seek investment opportunities, which promise fast returns on investment and involve, a minimum of risk unless they can obtain the protection of a strong partner from among the ruling group (Eversheds et al. 2002). As a result, the predominantly small business firms usually have fewer management levels and positions, and hence their potential need for management training and development is limited. Typically, Arab public and business managers concentrate on meeting their current needs rather than satisfying their long-term manpower and other requirements. (Abbas,1996) the announcement by Prime Minister Shukri Ghanem in early July 2005 that rates were being removed on a range of commodities is being taken as a sign that

some progress is being made by those seeking to open up the economy, the lifting of import tariffs on more than 3,500 commodities is just one such sign.(Porter and Yergin,2006) One of the key managerial challenges now is to transform organisational culture to promote organisational change in order to survive the turbulent economic environment and implement successful strategies to adapt to the new market environment. In looking at the economic aspects of Libyan life, it is important to remember that before the discovery of oil in 1959 and the commencement of oil-production in 1961, Libya was one of the poorest countries in the world (Vandewalle, 1998) with very bleak prospects for economic development with no source of power and mineral resources and agriculture being the main source of national income. According to Farley (1971 p.132), about “80% of its population was engaged in agriculture and animal husbandry whilst the rest of the population lived in towns such as Tripoli, Benghazi, Sebha, and Misurata”.

Table 2.1: Foreign Assistance Allocation to Libya during 1952-1960
Libyan Fiscal Years: (LD 1,000)

Country	Total Allocation	%
United States	41,138	56
United Kingdom	28,740	39
France	893	1
Italy	1,070	1
United Arab Republic	50	-
Turkey	50	-
Pakistan	10	-
UN Technical Assistance	1,964	3
Total	73,915	100

Source: The Economic Development of Libya 1960, Cited in Abbas, 1987).

Therefore, the major mainstay of Libyan economy had very low productivity due to such factors as, the shortage of water, the absence of modern technical machinery and the limited amount of fertile land. Minerals had not been exploited; the industrial sector was limited and primitive due to the lack of skilled workers, raw materials, power and capital investment (UNESCO, 1952). Moreover, the country was also suffering from a lack of housing, education, health facilities and an inefficient transport system with an

average per capita income of less than \$30 per year in 1951, which by 1960 had risen to \$100 per year. (Abbas, 1987) Its Gross Domestic Product (GDP) being £L15 million Libyan pounds in 1955 by 1958 this had increased to £L52 million (Abuarroush, 1996; Giurnaz, 1985). It is interesting to find that during the early years of independence the main Libyan export was scrap metal that was salvaged from the debris of the Second World War (Abbas, 1987). Libya was dependent on aid from foreign states and payments for the use of military bases (Table 2.1). Additionally, there was a heavy reliance on advisors including technicians from the UK, USA and UN (Abbas, 1987).

2.3.1. The Period From 1969-1980

After the Revolution of 1969, the structure of the Libyan economy had changed dramatically. One of the principles of Revolution was Arab Nationalism which had led to the issuing of laws requiring the nationalisation of foreign businesses such as banks, changing the oil prices, and participation in production (Vandewalle, 1998). Libya was at the forefront for achieving Arab unity and agreed to meet periodically with other Arab States for planning in the political, economic and social fields. It was willing to help more than one country with their economic problems by providing funds and supplying fuel. Libya and other Arab countries also agreed to the gradual integration of laws affecting travel, transportation, employment and property holding. Many agreements were made to merge the legal systems, information services and trade barriers. According to Birks & Sinclair (1980, p. 136) "...due to the shortage of labour, Libya had also employed many Arab people from Egypt, Tunisia and Sudan of which nearly, ...170,000 workers were from Egypt and 70,000 from Tunisia". During this period, "Libya's oil price had increased from \$2.3 per barrel in 1969 to \$25 per barrel in 1979" (Abbas, 1987).

After the 1973 oil crises, Libya's oil revenues increased from 'LD 2.4 billion Libyan Dinars to about LD 6.5 billion by 1980' (Giurnaz, 1985) enabling an increase in spending on development in all sectors, particularly the agricultural and industrial sectors which received the highest priority in order to achieve self-sufficiency and reduce the dependency on the oil sector. However, the desired expansion did not materialised and its contribution to GDP remained small (Ghanem, 1987; Kilani, 1987). The government had tried to reduce the economic dependence on the revenues from oil

by creating alternative ways to achieve economic growth. El-Fathaly and Palmer (1980 p. 44) said of the Libyan oil policy:

“The first September revolution (1969) changed the priorities of the development strategy by giving different emphasis to certain sectors. Since the start of the new regime attention has been focused on planning and development to effectuate a shift in the social and economic structures a state of full dependence on the oil sector to one of balanced growth for all the sectors”.

2.3.2. After the Revolution 1980-2000

By the end of 1981, with the exception of the agricultural sector, all private ownership in Libya was abolished. Housing ownership was restricted to one house per family, business enterprises were replaced by government agencies, and workers took over private and public factories. (Atiyyah,1993) Private sector was completely replaced by People’s Committees, with retail activity being controlled by the state – administered supermarkets. According to Alvi (1994) many social and economic changes occurred in the country after the second part of the Green Book (1978) had changed all wage earners into partners through the institutions of mandatory profit-sharing and workers committees. This encouraged workers to become involved in the day-to-day management of companies in which they worked (Abuarrosh, 1996). Although the new socialist ideology was aimed at transforming the status of wage labourer to those of partners, the situation of wage labourers who took over the plants where they were working was still unclear. Indeed, ‘the only change worthy of mention was the change of the title of ‘wages’ to ‘producers, shares’ (Abbas 1990, p 100).

Responding to the economic crises of the 80’s, the Libyan government departed from its centralised planning approach and introduced a series of liberalisation measures at the beginning of 1988. Private shops were encouraged to reopen for example, and the government proposed an increase in privatisation, announcing that Libya would be able to import and export in complete freedom (Fisher, 1990). This restructuring policy initiated and regulated through the Issue of Government Act number (9), dated 5/1/1992, was intended to regulate and enhance the role of private sector activities in the national economy (Gannous,1998). There were two provisions are the first that the Libyan economy will be based on joint ownership, popular socialism and individual

initiatives and abilities. Secondly, the economic areas open for private and individual initiatives will include production, distribution and services. As a result of Libya's Development Plans, GDP showed a remarkable increase during the period 1970-2002, as can be seen from Table 2.2 on the next page.

Table 2.2: Libyan GDP by Sector - 1970-2002 (In million LD)

Years	1970	1977	1980	1986	1991	1995	1999	2002
Economic Sectors								
Agriculture & fishing	33.1	90	183	320	678.2	947	1449.9	1348.8
Petroleum & gas	812.6	3276	6571	1784	3054	2468	3995.9	13164.2
Mining & quarrying	17	28.5	48.8	49	72.5	148.6	223.3	364.0
Manufacturing	22.5	124.7	192.2	401.8	706	799.7	863.1	813.5
Electricity & water	6.2	26.1	49.7	112	177	216.7	270.4	293.7
Construction	87.8	602	935.7	895	1319.5	483.9	803.6	1262.1
Trade, restaurants & hotels	47	292	489.8	485.9	1041.5	1254	1693.3	2089.5
Transport & communication	43.2	220.1	356.1	395.5	812	892.6	1211.7	1429.2
Banking & insurance	13	144.1	246.4	285.4	370.5	286.2	323.5	41
Ownership of housing	59.6	157.3	210.4	252.4	315.3	391	452.7	515.0
General services	153.6	614.6	946.6	1521	1894.5	1853.3	2429.2	2859.5
Other services	8	37.4	47.4	75	172	307.7	358.6	427.5
Total GDP	1303.6	5612.7	10277.1	6577	10612.5	10048.	14075.2	24981.2
						7		
Petroleum & gas	63.1%	58.4%	63.9%	27.1%	28.8%	24.6%	28.4%	53%
Other sectors	36.9%	41.6%	36.1%	72.9%	71.2%	75.4%	71.6%	47%

Sources: Central Bank of Libya (1994, 1995, 1998, 2001, 2002); Ganous et al, (1994)

This increase can be attributed to the policy of the government in nationalising the formerly foreign-owned oil industry in 1970 and to the simultaneous increase in oil prices on the world markets (Quinlan,2004). Indeed, Table 2.2 confirms that Libya's economy depended primarily upon revenues from the oil sector, which contributes practically all export earnings and about one-third of GDP (Ganous et al,1994). These oil revenues and small population give Libya one of the highest per capita GDPs (6.70 US\$) in Africa (Arab Banking Corporation, 2001). Throughout this period Government expenditures and development programs were also totally dependent upon these oil revenues (El-Fathaly & Palmer, 1980). Consumption patterns became geared to the use of imported commodities and there were no links between the proceeds of production, effort, and incentive. This is proof that "the rentier state can achieve dramatic rises in per capita income without going through the social and organizational changes usually associated with the processes of economic growth" El-Fathaly & Palmer (1980 p. 100).

2.3.3. The New Millennium

In 2000 the Libyan General People's Congress and the Government authorities embarked on an ambitious programme of decentralization, abolishing most central government functions and making the devolution of responsibility to 31 governorates (sha 'biyat) a national priority (Aghile,2000). This has highlighted a need for capacity building to support the decentralization process, in particular at the governorate level. It also presents an opportunity to respond more accurately to some of the country's development needs, through increased needs-based targeting of resources. Complementing this, support is needed for a number of central authorities to develop capacity in areas such as environment and information and communications technology (ICT) and to upgrade public services (Twati and Gammack, 2006). Such support at the central and governorate levels is valuable for assisting the development of the country and contributing to economic reform. In 2002, the public sector employed some 70 per cent of the workforce and although consideration been given to ways of reforming the public sector, little reform has yet been attempted. A new short term national development plan is due to begin from 2003. However longer term strategies for the development of the economy have yet to be decided on, (UNDP DPCPO Report 2002).

According to the International Monetary Fund (IMF, 2003), the Libyan economy, which is still heavily reliant upon the oil sector, remains largely state controlled and regulated, although in 2002, the authorities initiated steps to liberalise the economy. On January 1, 2002, the dual exchange rate system was unified at a fixed rate of One Libyan Dinar (LD) equal to 0.608 US\$ along with the foreign exchange rationing and import licensing requirements being eliminated. This resulted in economic developments in 2002 being influenced by these factors and by the accommodating fiscal and credit policies in an environment of continuing high oil prices. Real non-oil GDP grew by about 3% and deflation continued with a 9.8% decline in the Consumer Price Index (CPI). The external current account shifted to a deficit for the first time since 1998, and gross official reserves decreased slightly too about US\$13.7 billion.

The fiscal stance remained expansionary in 2002, with the non-oil overall fiscal deficit widening to 32% in 2002 from about 29% of GDP in 2001. Expenditure growth in 2002 was driven by budgeted capital expenditure growth of 3.2% of GDP, mainly on development projects in communications, construction, health, housing, and education. On the revenue side, oil revenue in Libyan Dinar terms was boosted by the large

devaluation of the official exchange rate at the beginning of 2002. However, tax revenue decreased and customs revenue stagnated despite a surge in imports, mainly as a result of widespread exemptions granted to public enterprises. There was some progress in the banking sector reform agenda with a number of measures adopted to strengthen banking supervision. Two new private commercial banks and one private regional bank were licensed in 2002 and preparations are under way for the privatisation of a public bank. In June 2003, Libya accepted its obligations under Article VIII of the IMF's Articles of Agreement (IMF, 2003) with the key challenge facing the Libyan authorities in the medium and long term being to achieving sustainable high rates of economic growth to generate employment opportunities for a rapidly growing labour force.

The authorities agreed that this goal would not be achievable without reducing the dominant role of the public sector. According to the General Secretariat for Education and Scientific Research (GSESR, 1999), in comparison with the rest of North Africa, Libya has the highest number of academically trained and highly qualified citizens (Aghile, 2000). Many Libyans have completed study programmes at well-known foreign universities across the world. They are well educated, but not sufficiently well-trained, in particular with regard to management and leadership techniques. Aghile (2000), has taken up this point, indicating that a number of problems have appeared in recent years in the Libyan economy such as mismanagement, centralisation, lack of co-operation among sectors and a poor pay system.

Despite the effort to build valuable projects to develop the economy and to take the place of oil in the future, the contribution of the non-oil sectors in the GDP has remained low or limited as can be seen from the information in Table 2.3. According to (Al Geryani,2005) The poor performance of the industrial sector is attributed to the absence of positive management, especially in the areas of planning, organising, controlling and marketing.

Table 2.3: Summary of Libyan Macro-Economic Performance 1991-2005

	1991 - 94	1995 - 98	1999	2000	2001	2002	2003	2004	2005
National Income and Prices (% hange)									
Real GDP	3.4	1.8	-0.4	1.1	4.5	3.3	9.1	4.6	3.5
Real Non-Hydrocarbon GDP	3.7	2.6	0.9	3	6.8	4.7	2.2	4.1	4.6
Real GDP per capita	1.4	-0.2	-2.3	-1.2	2.5	1.2	7.0	2.5	
CPI	9.8	4.9	2.6	-2.9	-8.8	-9.9	-2.1	-2.2	2.5
Balance of Payments(billi of USS unless otherwise noted)									
Current Account Balance	-0.04	0.8	1.6	6.5	4.1	0.6	5.0	7.3	16.0
as a % of GDP	-0.2	2.6	5.4	18.8	13.8	2.9	21.5	24.2	40.8
Gross Official Reserves	..	6.7	6.7	13.1	14.1	15	19.5	25.6	39.3
in months of imports of GNFS	..	11.4	14.1	26.7	19	20.5	21.9	23.9	31.5
External Debt (% of GDP)	..	..	18.8	15.3	19.2	28.7	23.4		
Central Government Finances (% of GDP)									
Revenue	30.6	36.5	39.8	45.7	43.1	51.4	54.4	59.1	73
Expenditure	30.7	34	32.8	31.3	44.3	41.2	44.6	44.0	41.2
Overall balance	-0.1	2.5	6.9	14.4	-1.2	10.2	9.8	15.1	31.8
Non-hydrocarbon Overall Balance	-16	-20.6	-10.5	-17	-30.3	-30.2	-37.6	-36.1	-36.0

Source: Central Bank of Libya (2005) and IMF (2006))

International sanctions had been a serious impediment to the process of Libya's economic development and diversification for over a decade. The government estimated the total losses to the country resulting from the combined effects of sanctions and the freezing of its assets abroad at over \$30 billion between 1992 and 2003 AOGD Report (2007). Since there are no longer any restrictions on trade between Libya and the United States, nor on American companies investing in Libya, investment is now beginning to flow into the country again, following the return of American companies to the upstream oil and gas sector and their acquisition of additional exploration acreage.

The ending of these sanctions allowed the Libyan government to adopt a comprehensive structural reform program aimed at accelerating the transition to a market economy. Problems in the Libyan economy at the moment include a poor national infrastructure, the dominance of the public sector, and the high proportion of national resources absorbed by public sector wages and salaries. Structural rigidities which discouraged foreign investment contributed to Libya's failure to exploit its economic potential to the full and develop non-oil activities more rapidly. The Libyan economy remains largely state controlled, three-quarters of the working population are employed in the public sector and private investment is negligible. According to CAI MED Report (2007 p. 100)

“Libya needs to offer an open and reliable business environment and in this regard there is still a long way to go. Libya has the potential to be a leader in the economic development of the region. With its small population, significant natural and historic resources, it could be a catalyst...”

2.3.4. Economic Development from a Knowledge Perspective

Approaching economic development from a knowledge perspective — that is, adopting policies to increase a nation’s intellectual wealth — can improve people’s lives in myriad ways besides higher incomes (World Bank, 1998). The intellectual capital that a nation possesses includes

...the hidden values of individuals, enterprises, institutions, communities and regions that is the current and potential sources for wealth creation. These hidden values are the roots for nourishment and the cultivation of future wellbeing.

Bontis (2004 p. 14)

The importance of human resource development came about because of its role in facilitating the social and economic development process. People are the target of this process on the one hand, and they are the basic factor in the planning and achievement of its objectives on the other. Developing human resources must be considered as a part of a development programme in order to create employment opportunities for the national manpower, which increases every year. Therefore, “...intensive efforts are required to prepare, educate and train people by following the best approaches, so that the required quantity and quality of manpower can be prepared at a suitable time”, Agnaia (1996b pp. 35-36). National human development in the Libyan environment will be considered later but now the social and technological environment of Libya are investigated.

2.4. The Social System

After the revolution of 1969 a new system the Third Universal Theory appeared in Libya which invited the elaboration of a new form of social universal system who’s political, economic and social foundations were established according to a new concept, meaning natural law (Deeb and Deeb, 1982). The starting point for Third Universal Theory is the need to combat unjust relationships in all their forms, whether they are

social, economic or political, and even if the owner is the state (Fisher,1990). The Third Universal Theory recognises as sacred property the property of an individual necessary to satisfy his fundamental needs, such as housing, clothing, food and so on. The Theory also recognises that the individual and his family, or group of individuals, have the right to constitute a production enterprise where there will be satisfied people; not an employer or workers, but where all are partners in production and wealth.

“The following main factors give us a comprehensive picture of a new society, putting the Third Universal Theory into practice (Farhat, 1979 p.100).

- a) All producers working for themselves in a private concern in order to meet their own needs and without exploitation of other people by any of the forms of exploitation which exist, i.e. the ways system, the system of rents and private trade.
- b) All producers working in a collective concern in accordance with the principles of partnership as determined by society.
- c) All those rendering general services to society, such as teachers, doctors, accountants, and so on. In turn, society must meet their needs, since they are rendering services in the interest of everyone.
- d) All those rendering a general service or carrying out a productive activity of temporary or permanent nature. It is society’s duty to meet their needs in accordance with the principle of mutual society aid as set forth by the laws adopted by society itself.

The aim of the Third Universal Theory is to arrive at an ideal state of human culture characterised by complete absence of barbarism and non-rational behaviour, optimum utilisation of physical, cultural, spiritual and human resources, and perfect adjustment of the individual within the social framework (The Green Book, cited in Gannous,1998). This is a new civilisation of Libyan society, which is viewed as a revolutionary change in the relative importance in society of the moral order and the technical order (UNDP Report 2003). Historically the bulk of Libyan society were untouched by education, and even years after independence, “more than ninety percent of the population were illiterate and only a handful of Libyans had been given an opportunity to study at a university or to qualify for a recognised profession”, El-Fathaly and Palmer (1980 p. 28). Qadhafi had urged the Libyan people to challenge traditional authority and to take over and run government organs themselves. The instrument for doing this was the “people’s committees.” People’s committees were established in such widely divergent organisations as universities, private business firms, government bureaucracies, and the

broadcast media, consequently having serious implications on the management of employees (Wright, 1982). The basic units of Libyan society however are the extended family, the clan, the tribe and the village, each playing a major role in the individual's and community's life. Since the individual is identified with his family, his good or bad deeds bring collective fame or shame to the family and to the tribe. The individual has to obey, respect and preserve the rules and traditions of those social units, and kinship and collective solidarity influence the selection of leaders of units and the decision - making in Libyan society (El-Fathaly & Palmer 1980).

Despite the increase in oil prices and the suspension of UN sanctions in April 1999, there has been little improvement in the economic situation or living conditions of ordinary Libyan citizens (Spencer et al. 2001). Inflation continues to rise whilst public sector wages have remained frozen since the early 1980s. Unemployment stands at around 30 per cent and half the population is under the age of 15. Libyan youth are especially frustrated as there is little opportunity for them to become actively engaged with society, either through employment, through the political process or through taking part as entrepreneurs in the official economy which prohibits most private enterprise. Libya's young people have no memory of the harsh living conditions in which most Libyans lived before Qadhafi came to power in 1969, and are therefore less tolerant of declining welfare services than some of the older generation. This sense of economic frustration and political stagnation which pervades much of Libyan society has become more acute over the past year as the suspension of UN sanctions brought high expectations of change. The fact that there has been little improvement in everyday living conditions has not only dashed these hopes, but also left Qadhafi more vulnerable to criticism as he was less able to blame his country's ills on the international community.

According to Teterov and Wallace (2002) Libyan society holds local cultural specificities in high esteem therefore it is expected that foreign businessmen, as well as tourists, respect the prevalent cultural-religious values. On a regional level, Libya's strategic orientation towards African countries represents an important element in her trade relations. There are many precedents of successful completion of business ventures and projects between Libya and African nations. Moreover, Libya is keen to promote and participate in foreign investment elsewhere in Africa. During a summit

meeting with European heads of state, Qadhafi has made it clear that Libya is interested in instigating joint European-Libyan investment in Africa.

Arabic culture is the most dominant force in Libyan individuals and groups, people's social values, beliefs and attitudes, state law, political and economic policies are all governed by Islamic rules additionally so are so many other many aspects of their life, such as marriage, divorce and trade relations. The Libyan economy is emerging into the increasingly competitive international market and like other Arab societies has moved to the industrial stage without establishing the sound foundations necessary for coping with the demands of modern institutions. This situation has created serious managerial and social problems (e.g., distortion of traditional craftsmanship, inefficient operations, lack of direction, displacement of the traditional work force, and shifts in social structures). These problems would now be having a minimal negative impact had the Arab world with its numerous rentier states passed through the normal stages of economic and technological development. According to Teterov and Wallace (2002) Libya has decided to encourage the contribution of foreign capital in the development of technological sectors and the training of personnel specialised in all the other sectors, who would in turn train other citizens in order to accelerate this process.

2.6. Technological Environment

According to the World Bank Report (2008) on technological progress and development these things are about improvements in the ways that goods and services are produced, marketed, and made available to the public. They therefore play a central role in spurring income growth and reducing poverty. Technology itself is at the very heart of human progress and development and accounts for much of the economic and social progress of the past few centuries. It will also help meet the environmental challenges of the twenty-first century and to a significant degree, technological progress is what makes the difference between fast-growing developing economies and slow-growing ones. In fact as Bontis (2004 p. 17) states "less developed economies with significant assets in information technology and Internet-related expertise are hoping to leapfrog more developed economies". The ease of communications and the power of information technology are two of the key features of life at the beginning of the 21st century, for as well as being a key part of the infrastructure required to manage any global business, technology and communications also hope to create increased world-wide demand for products. In past decade technology has affected the way people communicate to

accomplish work, which has in turn brought impetus for changes in culture and society, (Fujimoto et al. 2007). It is important to remember of course that technology only benefits part of the population of the world (Lee, 2007). There are large parts of the world's population who do not have access to technology, or are unable to power it, to use it. These people have greater concerns than communication, and might not be able to read; those in the privileged technological advanced world assume worldwide literacy.

Table 2.4: Monitoring Human Development

3 Human and income poverty
Developing countries

MONITORING HUMAN DEVELOPMENT: ENLARGING PEOPLE'S CHOICES . . .

HDI rank	Human poverty index (HPI-1)		Probability at birth of not surviving to age 40 ^{a,†}	Adult illiteracy rate ^{b,†}	Population without sustainable access to an improved water source [†]	MDG Children under weight for age [†]	MDG Population below income poverty line (%)			HPI-1 rank minus income poverty rank ^f
	Rank	Value (%)	(% of cohort) 2000-05	(% ages 15 and above) 2002	(%) 2000	(% under age 5) 1995-2002 ^c	\$1 a day ^d 1990-2002 ^c	\$2 a day ^e 1990-2002 ^c	National poverty line 1990-2001 ^c	
High human development										
23	Hong Kong, China (SAR)	..	1.8	6.5 ^g	..	..	..	..	..	..
25	Singapore	6	6.3	1.9	7.5 ^h	0	14 ⁱ	..	..	..
28	Korea, Rep. of	..	3.4	2.1 ^g	8	..	<2	<2	..	..
29	Barbados	1	2.5	2.6	0.3	0	6 ⁱ	..	..	..
30	Cyprus	..	2.9	3.2 ^h	0	..	..	..	..	..
33	Brunei Darussalam	..	2.8	6.1 ^h	..	..	..	..	..	..
34	Argentina	..	5.1	3.0	..	5	3.3	14.3	..	..
35	Seychelles	..	..	8.1 ^h	..	6 ⁱ	..	..	..	..
39	Saint Kitts and Nevis	..	..	..	2	..	..	..	..	..
40	Bahrain	..	4.0	11.5	..	9	..	..	..	..
43	Chile	3	4.1	4.1	4.3 ^h	7	1	<2	9.6	17.0
44	Kuwait	..	2.6	17.1	..	10	..	..	..	..
45	Costa Rica	4	4.4	3.7	4.2	5	5	2.0	9.5	22.0
46	Uruguay	2	3.6	4.4	2.3	2	5	<2	3.9	..
47	Qatar	..	5.1	15.8 ^{h,j}	..	6	..	..	..	..
49	United Arab Emirates	..	3.4	22.7	..	14	..	..	..	..
51	Bahamas	..	16.0	4.5 ^g	3	..	..	..	..	..
52	Cuba	5	5.0	4.1	3.1	9	4	..	..	..
53	Mexico	12	9.1	7.6	9.5 ^h	12	8	9.9	26.3	10.1 ^k
54	Trinidad and Tobago	8	7.7	9.1	1.5	10	7 ⁱ	12.4	39.0	21.0
55	Antigua and Barbuda	..	..	..	..	9	10 ⁱ	..	..	..
Medium human development										
58	Libyan Arab Jamahiriya	29	15.3	4.5	18.3	28	5	..	..	..
59	Malaysia	..	4.2	11.3 ^h	..	12	<2	9.3	15.5 ^k	..
61	Panama	9	7.7	6.8	7.7	10	7	7.2	17.6	37.3
63	Tonga	..	8.9	1.2 ^h	0	..	..	..	..	..
64	Mauritius	16	11.3	4.6	15.7 ^h	0	15	..	..	..

Source: Extract from UNDP (2003 p.147)

The figures in Table 2.4 show that Libya is ranked as 58th on the UNDP's ranking for human development, which places it amongst those countries with only medium human development aspirations. The figures shown in Table 2.5 on the next page regarding expenditure in Libya also place it among those countries with a medium human development concern. There are no Libyan figures for 1990 with which to draw a comparison with 2001, but the next country ranked below Libya is Malaysia and they spent 20.0% of total government expenditure on education which is a relatively high figure which shows an interest to invest in education.

Table 2.5: Libyan Expenditure on Education

HDI rank	Public expenditure on education by level ^b										
	Public expenditure on education ^a				(% of all levels)						
	As % of GDP		As % of total government expenditure		Pre-primary and primary		Secondary		Tertiary		
	1990 ^c	1999-2001 ^d	1990 ^c	1999-2001 ^d	1990 ^c	1999-2001 ^d	1990 ^c	1999-2001 ^d	1990 ^c	1999-2001 ^d	
51	Bahamas	4.0	..	17.8	..	..	..	..	..	..	..
52	Cuba	..	8.5	12.3	16.8	25.7	39.4	39.0	36.4	14.4	17.1
53	Mexico	3.6	5.1	12.8	22.6	32.3	48.6	29.6	34.4	16.5	14.5
54	Trinidad and Tobago	3.6	4.0	11.6	16.7 ^e	42.5	59.6 ^e	36.8	32.3 ^e	11.9	3.7 ^e
55	Antigua and Barbuda	..	3.2	..	..	..	36.9 ^e	..	37.3 ^e	..	15.1 ^e
Medium human development											
56	Bulgaria	5.2	..	..	..	70.7	..	..	..	13.9	..
57	Russian Federation	3.5	3.1	..	10.6	..	..	..	..	..	..
58	Libyan Arab Jamahiriya	..	2.7	..	..	..	17.8 ^e	..	14.2 ^e	..	52.7
59	Malaysia	5.2	7.9	18.3	20.0	34.3	28.1	34.4	34.5	19.9	32.1
60	Macedonia, TFYR	..	4.1 ^e	..	..	..	..	..	..	..	..

Source: Extract from UNDP Report (2003 p.173)

Data in Table 2.6 shows that there are a lot less telephone lines, cellular phone subscribers and internet users in Libya compared to either Malaysia or the Russian Federation. In fact there are twice as many internet users in the Russian Federation and considerably more in Malaysia. In the World Bank Report (2008) it is pointed out that while the level of technology used in all countries has increased rapidly, it has done so quicker in developing countries and quickest in low-income countries. Of course, the initial level of technology in lower-income countries was much lower to begin with.

Developing countries still have a long way to go, despite rapid technological progress, in some of them, however technology does not spread quickly within all countries. Richer countries use technology more extensively than poor countries, partly because they can afford it and partly because more of their people and firms have the necessary skills to use technology.

Table 2.6: Diffusion and Creation of Technology

12 Technology: diffusion and creation

HDI rank	MDG Telephone mainlines ^a (per 1,000 people)		MDG Cellular subscribers ^a (per 1,000 people)		MDG Internet users (per 1,000 people)		Patents granted to residents (per million people)	Receipts of royalties and licence fees (US\$ per person)	Research and development (R&D) expenditures (% of GDP)	Researchers in R&D (per million people)
	1990	2002	1990	2002	1990	2002	2000	2002	1996-2002 ^b	1990-2001 ^b
51 Bahamas	274	406	8	390	0.0	192.3	..	..	..	..
52 Cuba	31	51 ^c	0	2	0.0	10.7 ^c	0	..	0.6	489
53 Mexico	65	147	1	255	0.0	98.5	1	0.5	0.4	225
54 Trinidad and Tobago	141	250	0	278	0.0	106.0	0	..	0.1	456
55 Antigua and Barbuda	253	488	0	490	0.0	128.2	0	0.0 ^c	..	..
Medium human development										
56 Bulgaria	242	368	0	333	0.0	80.8	18	0.5	0.5	1,167
57 Russian Federation	140	242	0	120	0.0	40.9	99	1.0	1.2	3,494
58 Libyan Arab Jamahiriya	48	118 ^c	0	13	0.0	22.5	..	..	..	361
59 Malaysia	89	190	5	377	0.0	319.7	..	0.5	0.4	160
60 Macedonia, TFYR	148	271	0	177	0.0	48.4	17	1.6	..	387

Source: Extract from UNDP Report (2003 p. 181)

The use of technology in Libya is at present minimal, despite it being one of the wealthiest countries in Africa, (Twati & Gammack, 2006) and also despite the fact that The High Centre for Industrial Management and Technology (HCIMT) had been established under the supervision of the Secretariat of Industry, and by Law 88 (1991). This Centre's aims were to develop industrial management by promoting the efficiency of Libyan employees, following modern management approaches, organising courses, seminars and conferences in industrial management and modern technology. Additionally The Fifth Country Programme, 1993-1997 with a total budget of \$40 million, although delayed and interrupted by declining government oil revenues and by UN Security Council sanctions imposed in 1992, still proposed that the Libyan

government allocate \$10 million to fund on-going and new projects including work in human development, economic diversification, maintenance, technology transfer and environment management. In their World Education Report 2006/7 UNESCO point out that education is the ideal means for preparing the workforce needed for the development of any society. It must correspond to its demands, help to solve its problems and enable it to take on its responsibilities. They go onto point out that:

“...education is a right and a duty for all Libyan citizens, it is free and compulsory until the end of the preparatory level, and the State is responsible for building and establishing schools, institutes, universities and educational and cultural foundations”.

The Constitutional Declaration (1969)

Today, students represent more than 35% of the country's population, World Education Report 2006/7 UNESCO. In spite of some difficulties, Libya has maintained high enrolment rates, through a rationalisation of expenditure on education. However, educational policy-makers in the country are investigating ways of sharing the educational costs between the government and the public. Furthermore, many educational planners think that it is time to find additional financial resources other than the country's public budget. Higher vocational and technical education is provided by higher institutes which offer courses of three to five years' duration in such fields as Electricity, Mechanical Engineering, Finance, Computer Studies, Industrial Technology, Social Work, Medical Technology and Civil Aviation. At the end of their studies, graduate technicians are assigned to work in development projects. The qualification awarded after three years is the Higher Technician Diploma; otherwise, after four or five years, the Bachelor's degree is awarded. Educational reforms initiated by the government for specialised schools and the introduction of information technology (IT) into the school system. This is no doubt due in part to developments in information technology and associated work practices and the constant growth and succession of computer-based information systems that has led many organisations and economies to try to transform themselves (Sharif et al. 2004). These reforms however were also introduced with the support of the UNDP according to their Report (2003).

As rapid technological advances in computational power and communication technologies are transforming the nature of knowledge, skills, talents and the know-how

of individuals in the workplace, (Bontis, 2004). The global information marketplace requires a different kind of worker, with competencies, attitudes, and the intellectual agility conducive to systemic and critical thinking within a technologically-oriented environment. For public and private institutions in the Arab states region to succeed in the new economy, this translates into restructuring industrial age organisational structures, processes, and mindsets to utilise the wealth-creating potential of people (Nsour, 2001).

In response to international pressures, and in conjunction with the lifting of UN sanctions, Libya adopted economic reforms, (Twati & Gammack, 2006). Libya is now working to transform its socialist-oriented economy to a more market-based one, by applying for WTO membership, reducing subsidies, and implementing a privatisation strategy (CIA World Factbook, 2004). Clearly, new organisational systems and technologies will be required. Although Management Information Systems (MIS), such as accounting information systems, human resources information systems, enterprise systems, and enterprise-wide information systems assist in producing reports for decision making (Laudon & Laudon, 2004) would be of importance to companies working in a new market driven Libyan economy. More general ICT would be particularly important to these companies as it would improve their capability to communicate and compete with larger organisations worldwide. It would give Libyan organisations an opportunity to trade beyond traditional markets (Stockdale & Standing, 2004) and allow them to operate and compete on a global level and provide a cost-effective way for organisations to identify potential business partners.

2.6. Arab and Libyan National Human Development

There can be little doubt that the political, economic, and socio-cultural environments of any country will have an influence on the nature and role of national human resource development, (Lynham & Cunningham, 2006). Historically, human resource development (HRD) has referred to developing human resources to increase economic productivity and therefore a nation's wealth, which is very closely linked with economic outputs. However, within current definitions and discussions, especially in the context of developing countries, there is more emphasis on the human aspects of national human resource development (NHRD), (Paprock, 2006). Human resource development practiced at the national level differs due to the complexity and multidimensionality of each country (Cho and McLean 2004; McLean 2004). Although there is no unified model or overarching definition of NHRD, a common theme of developing individuals

and improving lives through education and training is consistent across country-specific models (Cho and McLean 2004; Lynham and Cunningham, 2006). According to Bontis (2004 p. 15)

“Arab states looking to modernise should aim at adopting the following three principles:

- (1) Human investment through education and training;
- (2) Viewing workers as intellectual assets; and
- (3) Implanting and nurturing innovative, developmental and cost saving behaviours in firms and government”.

The modernisation of these Arab states is no longer a luxury, but rather an inevitable necessity for those that work hard to achieve prosperity and progress for their peoples. A challenge that faces the oil rich Arab states in particular is the presence of oil itself as a natural resource, which contributes significantly to the financial wealth of certain Arab countries. Zineldin (1998) reported that within the oil-rich countries there was rapid growth in non-oil sectors which had been brought about by extensive government investment, continued growth in import demand, and rapid increases in the education levels of consumers, with consequent demands for sophisticated and high-quality products. According to (Porter and Yergin,2006) The ability of the oil-rich states like Libya to use oil proceeds for domestic developments depends on their ability to translate these resources into useful imports and in an effort to do so they established the Arab Free Trade Area to eliminate trade barriers between the members of the League of Arab States by the year 2008. In this way a hub-and-spoke structure is emerging in relations between the region and the outside world.

There has been remarkable success in the cooperation of the UN and Libya over the years. Today UNDP and other agencies in Libya depend mostly on national rather than foreign expertise, with local experts and professionals bringing the skills and knowledge of the country which are required for success and continuity, UNDP. LIBYA 50 Years of UN/Libya Cooperation (2002). A central tenet of this discussion is that HRD can play a role in developing and shaping industrial competitiveness and overall advancement of societal well-being. HRD can significantly increase through developing the skills of a workforce the intellectual capital of an organisation which will influence

the local and national economy (Marquardt and Berger, 2003). The publication of the first national human development report (NHDR) for Libya in 1999 was a very positive step in promoting the collection and dissemination of information about sustainable human development in Libya, UNDP Country programme outline for Libya (2003-2005). This national development plan should include strategies for management development as Fituri (1992) pointed out that senior managers in Libya are the most important group of human capital in organisations and that they had needs for management training and development that were not necessarily being met and that there was a real need for qualified managers, professional institutes and integrated programmes.

2.7. Arab and Libyan Management Development

As was pointed out in the introductory chapter there has been previous research that has highlight problems into management development in the Arab Countries (AC's) and Libya. However, these studies by (Atiyyah, 1993; Abdalla & Al-Homoud, 1995; Agnaia 1996, 1997) are not empirically based and tend to be subjective in nature, so it is not yet possible to chart the future of MD in that part of the world.

These countries, it was said were giving priority to MD (Agnaia, 1997), because they recognised its importance for the success of economic and social development. Arab Countries, including Libya, implemented MTDPs for both present and future managers to provide them with knowledge and increase their human abilities, and to enable them to create and maintain their position in a continually changing world. Mainly because one of the most serious bottlenecks inhibiting the development of absorptive capacity in developing countries is a shortage of managerial and administrative skills. There are many governments in less developed nations (such as Iraq, Bangladesh, Libya and Algeria) which have attempted to increase MD activity by direct government action, (Mansfield, 1985). The Arab Countries established the Arab Organisation of Management Sciences in January 1969. As evidence of the increasing appreciation of the importance of MTD, the name of the organisation was changed in 1982 to The Arab Organisation for Management Development (shortened to AOFMD). What the future holds for MD in Arab countries largely depends on developments in their political, economic, socio-cultural and organisational systems, Atiyyah (1993).

Agnaia (1997) pointed out that in Libya responsibility for management training and development was split between departments of Education, Planning and the Treasury. He relates that because of the complexity of the situation companies have major difficulties getting the information and finances they require. Agnaia (1997) was also highly critical of the fact that too little effort is made to tie the educational syllabuses to the needs of the Libyan economy. Furthermore he points out that the shortage of appropriately trained staff continues to make the returns of investment in the industrial base woefully inadequate therefore the productivity of Libyan firms remains low. There are problems with those who are to be trained in management as well, as some managers resisting the idea of attending training and development courses, because they see this as an admission of incompetence, with obvious unfavourable consequences for their careers and social status. The fact that Libyan industrial companies, like those in many other developing countries, are owned managed and supervised by government institutions are also of concern according to Agnaia (1997). Companies' operations are extremely sensitive to legislative changes, particularly in the areas of remuneration, organisational structure, management systems and research and development. The government has total authority to limit imports or exports, or order a company to move to a different location. Many senior appointments are in the hands of politicians and civil servants. A United Nations mission reported in 1994 that intervention by central authorities creates counterproductive and costly instability. Change within government departments and institutions also create instability within Libyan management development programs.

2.8. Conclusions

In conclusion, as can be seen from this review of the available literature the most critically important issue to consider in any investigation of human resource development (HRD) is does national context influence HRD practice. This is because the development of any country's human resources will depend on the how effective organisations, industries, business, services and professionals in both public and private sectors are. Ultimately however the success of these organisations in achieving their objectives depends largely upon the effectiveness of their managers. Because managers are working in the most dynamic elements in business and industry, the performance level of such organisations depends on the intellectual capacity of these managers. Furthermore Sutherland (2003) believes that the effectiveness of the managerial workforce will also help to solve economic, social and even political problems. A was

pointed out in the background chapter, the UNDP Report of 1994 showed that Libyan organisations face problems because of a lack of skilled managers, which affects the productivity of these organisations. The conclusion of this report was that Libya like many Arab countries has to adopt three important principles to be modernised, which are, human investment through education and training, viewing workers as intellectual assets, and implanting and nurturing innovative, developmental and cost saving behaviours in companies and government.

A much more recent factor in the development of management in Libya is the pressure being placed on oil producing countries to improve their effectiveness and increase production in order to meet the demands of the global market. Globalisation has also undoubtedly paved the way for greater cross-cultural communication and heightened greater awareness of diverse management and business values as important aspects of competitiveness at a national level, as has been pointed out by (Sklair, 2002; Sparrow et al., 2004; Kiessling & Harvey, 2005). Any attempt by a country to introduce a national human resource development (NHRD) policy must be based on the country's population. Hence, in looking at HRD it is necessary to understand the structure of the nation, its demographics, and its other geographical and historical characteristics. In Libya the greatest geographical consideration is its oil, in the past Libya like other Arab countries were known as 'rentier states' because of their dependence on revenue from oil production under circumstances that did little to stimulate their overall economic development and to the detriment of other forms of production, which made them dependent on other countries for commodities.

In the last ten years there have been astonishing changes in Libya's relations with the US and the EU these changes have brought the country out of its political and economic isolation, (Economic Research Department, 2005). The recent policy change has Libya's economy, but also its political reputation, benefiting from this new openness. A better relationship with the EU and the US seems the only way to successfully diversify its economy. With the ending of the sanctions the Libyan government adopted a comprehensive structural reform program aimed at accelerating the transition to a market economy. The first steps on this transitional road were pointed out in a UNDP Report (2003), the report stated that Libya needed to offer an open and reliable business environment. Abbas (1996) believes that a much more significant step is paying more attention to the manager responsible for the achievement of the goals of competitiveness

and effectiveness in various organisations. For although many developing/transitional countries, including Libya, have paid a great deal of attention to national economic and social problems, less attention has been given to managerial and organisational problems, which have an important impact on the performance of any development plans a country might have as a whole. In order for any development to succeed, a large managerial workforce needs to be developed and prepared effectively. This is because managers are working in the most dynamic elements in business and industry; the performance level of such organisations depends on the quality of their managers, and needs an effective managerial workforce that can solve economic, social and even political problems.

As a result of this literature review it appears that one of the key managerial challenges in Libya today now is to transform organisational culture to promote organisational change in order to survive the turbulent economic environment and implement successful strategies to adapt to the new market environment. In order for this to happen managers need to acquire appropriate knowledge and skills to enable them to create solutions for their difficulties and problems and to take appropriate decisions (Aagnaia,1996). In Libya management training and development has comparatively recently become an issue. The importance of human resource development came about in Libya because of its role in facilitating the social and economic development process by developing human resource it was hoped that employment opportunities for the national manpower would be created which increases every year. However the Libyan economy is emerging into the increasingly competitive international market and like other Arab societies has moved to the industrial stage without establishing the sound foundations necessary for coping with the demands of modern institutions. This situation has created serious managerial and social problems.

Lynham and Cunningham (2006) point out that there can be little doubt that the political, economic, and socio-cultural environments of any country will have an influence on the nature and role of national human resource development, and according to Bontis (2004) any Arab states looking to modernise should aim at adopting the following three principles, increasing human investment through education and training, taking the view that workers are intellectual assets; and implanting and nurturing innovative, developmental and cost saving behaviours in firms and government. The modernisation

of these Arab states, including Libya is no longer a luxury, but rather an inevitable necessity for those that work hard to achieve prosperity and progress for their peoples.

Additionally in Libya the attempt to increase MD activity by direct government action have failed. However the influence of religion and culture cannot be disregarded. The individual has to obey, respect and preserve the rules and traditions of social units, and kinship and collective solidarity influence the selection of leaders of units and the decision -making in Libyan society (El-Fathaly & Palmer 1980). Libyan society holds local cultural specificities in high esteem, according to Teterov and Wallace (2002). Therefore it is expected that foreign businesses and businessmen, as well as tourists, respect the prevalent cultural-religious values. Arabic culture is the most dominant force on Libyan individuals and groups, people's social values, beliefs and attitudes, state law, political and economic policies are all governed by Islamic rules.

The role of cultural differences at a national and organisational level as well as national structural differences that might affect Libyan management development are considered further in Chapter Three.

CHAPTER THREE

THE IMPACT OF CULTURE ON MANAGEMENT DEVELOPMENT (MD) IN LIBYA

3.0. Introduction

According to social anthropologists, social scientists and psychologists, culture and social environment have a vital impact on economic development of a country, Libyan environment being no exception (Abuarroush, 1996). Economic development is associated with the social changes that people have with their environment, society, relationship with family and people around them. Economic development is also associated with certain religions, city life rather than rural life and cultural attitudes which emphasise competition rather than contemplation (Kindleberger, 1965). The basic unit of Libyan society is the extended family, the tribe, the village, and the community plays a major role in all this. Since, Arabic culture is the most dominant force in Libyan individuals and groups, people's social values, beliefs and attitudes, state law, political and economic policies are all governed by Islamic rules in addition to many aspects of their life, such as marriage, divorce and trade relations (Al-Faleh, 1987). As was mentioned in the introductory chapter Weir (2000) suggests that the Arab paradigm of development may prove to be specially advantaged or disadvantaged in facing the challenges of a new era. The context of HRD activities may be very different from that encountered in western organisations. Additionally McQuire et al. (2002) drew attention to the culturally bounded nature of national HRD literature and practice. McLean (2004) and Cho and McLean (2004) also proposed separating out national HRD practices in relation to whether a country is a developed, developing or transitional society and also the extent to which HRD policy is centralised or decentralised. Finally McGoldrick et al. 2002, state that as HRD has no singular identity. There is no single lens through which to view it as it is a socially constructed phenomenon that will certainly be affected by cultural influences.

The review of the literature in chapter two showed that recently there have been significant changes in Libya's relations with the US and the EU these changes have brought the country out of its political and economic isolation, (Economic Research Department, 2005). The changes have been economic, but also political as with the ending of the sanctions the Libyan government adopted a comprehensive structural

reform program aimed at accelerating the transition to a market economy. In Libya today therefore one of the key managerial challenges is to transform organisational culture to promote organisational change in order to survive the turbulent economic environment and implement successful strategies to adapt to the new market environment (Buck et al. 2003). In order for this to happen, managers need to acquire appropriate knowledge and skills to enable them to create solutions for their difficulties and problems and to take appropriate decisions. In Libya management training and development has comparatively recently become an issue and cultural differences at a national and organisational level as well as national structural differences have had an affect Libyan management development (Aagnaia, 1997).

As far as management activities are concerned, Islam brought a set of general guidelines that could be applied to management, relating to the organisation of human activities, individuals, group behaviour and responsibilities. For example, the Islamic conception of management consultation is to enhance the relationship between group members and their leaders. The manager is accountable to God and the people (employees), because *the manager is shepherd, and every shepherd is responsible for his people*. Islam requires people (employees) to carry out their tasks efficiently (Abuznaid,1994). The Prophet Mohamed emphasises this even further by saying '*Allah is desirous that when one does a work (job), he should make it perfect*', (Abuznaid, 1994). Therefore, these are essential issues for training and development, requiring managers to discuss all work-related matters with employees, to encourage employees who do well, and to discuss problems with those who do not work well in order to help them to improve their skills, knowledge and ability.

Abuznaid (1994) argues that religion has a great impact on human behaviour, social interactions and social relations. Islam as a religion and a way of life has an influence on the political, economic and educational system as well as other cultural aspects of Arab and Muslim societies. There is an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources (Tayeb,1997). A significant change in the region has been that since the mid-1990s the levels of state ownership in several Middle Eastern countries have been significantly reduced as a massive process of privatisation swept across the region. At the heart of this change was the shift from centrally commanded economies or high government interference to an economic system where market driven forces rather than government

sponsored and protected initiatives drive the economy (Budhwar & Mellahi, 2007). As a result, “the central government control over HRM practices has been greatly reduced and further, economic liberalisation has had a strong impact on HRM systems” Almhdie & Nyambegeera, (2004). This has resulted, in the erosion of job security in the public sector as firms in this sector have downsized, privatized or closed. Additionally, economic liberalisation coupled with a high level of unemployment has had a strong impact on employment relations, for while trade unions still have a strong, albeit declining, membership base, (Budhwar and Mellahi 2007) their powers and political clout have been severely curtailed by legislation and job market dynamics. This has meant that collective bargaining and trade union militancy have not only been reduced, they have become undesirable.

Although “The origin of HRM in modern organizations is largely a Western concept”, Metcalfe (2007 p. 56) any nations HRM policies are established in relation to the socio-cultural context within which organisations operate and include the national culture, ideology, economic conditions and the legal system. In Libya there is a collective nature to society and the use of employee participative representation is the norm. The collective nature of Libyan society, “... also stems from religion as this to has a certain degree of influence on the cultural characteristic of any nations’ people and institutions and is particularly relevant in Islamic countries”, Tayeb (1997 p. 441). This influence means that in Islamic countries family, rather than the individual is seen as the main unit in society, within which men and women have a complementary role, and both the family as a cultural asset (Tayeb 1997). The main abiding principles include “recognition of the man as the sole breadwinner of the family, a code of modesty that rests on the dignity and reputation of the woman that enforces restrictions on interactions between men and women”, (Metcalfe 2007 p. 56). This leads to, “...an unequal balance of power in the private sphere that is anchored in family laws based on Sharia”, Metcalfe (2007 p. 59). This chapter considers the ways in which the western concept of management development might be applicable or otherwise, to the non-western environment of Libya. It seeks to do this by briefly examining the concept of Arab culture, before focussing on the national cultural characteristics of Libya, and then the prevailing cultural predispositions in Libyan organisations. Organisational culture as an issue is investigated further in the next two sections both, look at influences of national culture on organisational culture and managerial culture, respectively. Management in developing countries is highlighted next and then transferability of

managerial models is considered. Finally the whole chapter is summarised and the impact of culture on MD is emphasised.

3.1. The Concept of Culture

In management literature, culture is seen as having a considerable impact on management development (Hofstede 1997). Consequently, the influence of culture in general, and more specifically in the sub-divisions of national, organisational, and occupational culture, has been the subject of much discussion over the last few decades. Within this debate, amongst many definitions of culture offered by different authors, Hofstede (1997 p. 5) sees culture as

“...the collective programming of the mind which distinguishes the members of one group or category of people from another.”

Whereas Schein (1985 p. 19, 1992 p. 12) defined culture as

“...a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”.

Fatehi, (1996 p. 100) however defines culture as

“...a system of knowledge and standards for perceiving, blessing, evaluating and acting, and added that language, ethnicity and religion are the major components of culture.”

According to Hofstede's (1997) classification of the world, into cultural regions on four dimensions, the Arab world's position is mainly influenced by religion, which shapes most Arab thinking. Research in the Arab regions has shown that culture plays a significant part in the way managers perceive organisational policies in general and those that they implement in particular. However Beardwell & Holden (1997 p. 688) believe that, “...culture can mean many things, ranging from expression through the arts and other creative media to societal perceptions of history and spirituality”. From Hofstede's definitions, it is seen that culture is derived from language, ethnicity, nationality, and sharing of other common experiences like, working in the same organisation. Therefore, it is possible to think of national culture on the one hand, as a set of values, beliefs and attitudes operating across people from a particular country or

region, and organisational culture on the other hand, as a set of values, beliefs and attitudes promoted by the executives and senior management within a particular company. Clearly then, a western organisation operating in a non-western setting is likely to find some differences between the established organisational culture, and the culture of the local people it employs. Likewise, the same problems can be predicted for a non-western environment that attempts to import a western culture.

3.2. Cultural Differences across Nations

In many countries throughout the world today, just as there were in the Eastern European countries in the 1990s, a number of transformations are taking place which involve political democratization and liberal capitalization (Lynham and Cunningham, 2006). The degree of openness of the Libyan market remains comparatively limited, but as was previously mentioned there are a number of encouraging signs that the government is pursuing a more conciliatory approach towards foreign businesses. In Libya today there is a new government. As an outcome of such transformations social changes are becoming apparent which may hinder national human resource development or cause it to prosper. Simultaneously these new democracies are under pressure from various institutions ranging from the International Monetary Fund, through the World Bank, and the World Trade Organization, to adhere to the General Agreement on Tariffs and Trade which impose often impossible barriers to their entry into the global marketplace (Lynham and Cunningham, 2006). Government leadership have offered their support for redressing inequalities and promoting the need to partner with other institutions (notably industry) to develop the requisite labour and people skills. These skills are needed to grow and develop social, human, cultural, transformational, and physical capital to meet national goals and aspirations in a sustainable manner (Lynham and Cunningham, 2006).

In his work with IBM in 66 countries across the world, Hofstede (1980, 1991, 1997 and 2001) identified four dimensions of cultural difference between nations and clustered cultures according to, whether they were high or low on a number of dimensions. He labelled them as: 'Power-distance', 'Uncertainty avoidance', 'Individualism-collectivism' and 'Masculinity-Femininity'. Hofstede then produced a ranking of countries and regions that participated in his study, allocating a score for each of the four dimensions, and thereby allowing for comparisons to be made across cultures, with respect to behaviour in the workplace, such as for instance: attitudes towards working

conditions, security of employment, working in a co-operative environment, having a well-defined job, preferred type of managerial style, the best way to get ahead, conflict, hierarchical structures, and rules. Interestingly for this current research, whilst Hofstede grouped a number of countries together to create his category of Arab countries, Libya was one of those included, so his analysis provides a strong starting point for any discussion of Libyan culture. Countries from East, and West Africa, were also treated regionally to provide the following clusters:

Arab Countries: Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, and UAE.

East Africa: Ethiopia, Kenya, Tanzania, Zambia.

West Africa: Ghana, Nigeria, Sierra Leone.

Table 3.1 shows the index scores and ranks for these regions, from which it can be seen that the Arab countries score extremely high on Power Distance, with an index of 80 (compare with the UK which scores 35), high on Uncertainty Avoidance, scoring 68 (UK score 35), low on Individualism scoring 38 (UK 89), and relatively low on Masculinity, scoring 53 (UK 66).

Table 3.1: Index Scores and Ranks for the Arab Countries and East, and West Africa

Country	Power Distance		Uncertainty Avoidance		Individualism Collectivism		Masculinity Femininity		Long/Short Term Orientation	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Arab Countries	80	7	68	27	38	26-27	53	23		
East Africa	64	21-23	52	36	27	33-35	41	39	25	28-29
West Africa	77	10-11	54	34	20	39-41	46	30-31	16	33

Source: (Hofstede, 2001 p. 500)

A fifth dimension of culture can be seen in Table 3.1, this being Long/Short-Term Orientation. This was not identified in Hofstede's original research, but was later seen in the Chinese Values Survey (McSweeney, 2002; Bei Yu and Egri, 2005). Essentially, this dimension (Hofstede, 2001 p. 351)

“...opposes long-term to short-term aspects of Confucian thinking: persistence and thrift to personal stability and respect for tradition; “

This dimension includes philosophical themes, expressing the extent to which virtuous living is seen as a worthy goal, independent of any religious justification. The Arab countries were not included in the research with the Chinese Value Survey, although some Muslim countries were, in which case Bangladesh scored 40, and Pakistan scored 0 showing the lowest score of the 23 participating countries, while China scored 118. Nevertheless, since Libya shares some cultural characteristics with other African countries, it is useful to be aware of the rankings in this respect which, as shown in Table 3.1, are very low, at 25 and 16 for East Africa, and West Africa respectively. The cultural relevance of religion is minimised by (Hofstede 2001), who believes that religious affiliation is less culturally relevant than is often assumed. Humphreys (1996), however, perceived religion to be the major source of cultural perspective, whilst testing Hofstede’s dimensions with Egyptian and British respondent’s he shows his results in Table 3.2

Table 3.2 : Culture Dimensions Responses

Dimension	UK	Egypt
Power-distance index	Very low	Moderate
Uncertainty avoidance index	Low	High
Individualism-collectivism index	High individualism	Extremely low individualism
Masculinity-feminity index	Extremely low masculinity	Moderate masculinity

Source: Humphreys, 1996:36).

As Libya shares some cultural characteristics with other African countries especially Egypt it is possible to paint a picture of culture from Hofstede’s four dimensions. According to Humphreys, (1996) there is a moderate power-distance index that indicates the less powerful person in society accepts inequality in power and considers it normal. There is a high uncertainty avoidance index which means that in Libyan society strict codes of behaviour are adopted and there is strong a belief in absolute truths. As was previously mentioned Libya has a very collective culture this is reflected in the

extremely low individualism index which shows that collectivism is seen to operate and people perceive themselves as, belonging to one or more cohesive groups like family or tribe from which they cannot detach themselves. Libyan society as whole, according to the moderate masculinity index, places social values between the masculine which emphasise a work ethic expressed in terms of money, achievement and recognition and the feminine social values, which show more concern for people and quality of life.

There are many differences in national culture characteristics in cross cultural comparisons between eastern and western countries (Lok & Crawford, 2004). A number of previous studies suggest that organisational culture is significantly influenced by the national culture at which the organisation is located (Tata & Prasad, 1998; Lindholm, 2000). In their research Lok and Crawford (2004) investigated the effect of organisational culture and leadership style on job satisfaction and organisational commitment in Australian and Hong Kong. Their results showed that although the Australian managers surveyed were innovative and supportive and were satisfied in and committed to their organisation. There were no significant differences between the Australian and Hong Kong managers' results with regard to bureaucratic organisational culture or their consideration and initiating of leadership styles. These findings are of interest because studies carried out previously suggested that the cultural influence of Confucian values, high power distance, autocratic decision making style, and family ownership in Chinese firms would provide a stronger bureaucratic culture and initiating structure leadership style in the organisation. In his research Lindholm (2000) wanted to find out to what extent the practices and processes of human resource management (HRM) can be transferred from one country to another. The most significant conclusion from his research for the purposes of this study is the fact that he states the need to examine the style of setting job objectives in high power-distance countries. Furthermore he states that practices related to the conveying of performance feedback and to using performance evaluations also require further study. Finally Lindholm (2000) believes his work demonstrated that further research should focus on individual HRM practices, in the international and/or multi-national (MNC) context. According to Lindholm (2000) there have been a number of researchers who applied Hofstede's cultural dimensions to their studies and found them useful in understanding cultural differences and the transferability of management practices.

3.3. National Culture

With respect to Libya, the development of a national culture has come about as a result of Arab domination and Islamic principles. The Arab conquest in A.D.643 was aimed at introducing the Islamic religion to the North West of Africa, but with the spread of the Arabic language, Islam quickly spread amongst Libyans, affected their behaviour, social interaction, social relations, and the political and education systems, consequently directly influencing the main aspects of life, such as baptism, courtship, death, trade relations and marriage (Humphreys,1996).

As far as management activities are concerned, Islam had brought a set of general guidelines that could be applied to management, relating to the organisation of human activities, individuals, group behaviour and responsibilities (Weir, 2000). In this respect, it is important to remember that Islam requires people to work in unity and to avoid discord, so the degree of co-operation within the workplace is a prime concern, since the success of the enterprise depends upon this. Furthermore, the manager's role in Islam does not end at giving orders to his subordinates but also following them. One of the Arab leaders whilst speaking to his people said: *'Any of you is a manager, therefore, any one of you is responsible for his subordinates, starting with your family and ending with the whole society'*, (Weir, 2001). Clearly, Islam does not neglect the importance of leadership as an effective management role to achieve group goals, but with particular attention to this role, one of the Islamic principles is, *'If the number of any working group reaches three or more, they should nominate one of them to become their leader or coordinator'*. Accordingly, the leader performs his duties in order to please his God, not others, being fair with his subordinates, and he has to use decentralised and centralised methods of decision-making according to the circumstance and conditions of the case managed' (Weir, 2001).

Since the Libyans were influenced by Islamic principles and culture in their behaviour and life style, they had started to participate in many activities which required some management skills. For example, mosques became places of meetings to discuss local issues, to have directions from the leaders of their province and to teach people the Islamic rules and principles. Each mosque had its own committee appointed from local people whilst others were members of committees concerned with collecting an annual payment, known as Zakat (wealth tax) (Weir, 2000). Therefore, Libyans became familiar with many administrative activities such as meetings, training, learning and

circle discussions which used to be done in the mosques. Roney (1997) also considered the differences between national cultures, suggesting these can be seen in a variety of ways, first there maybe a distinction in the way people view the world or in how they deal with uncertainty. Additionally, there maybe some difference in the degree to which individuals are integrated into groups, or even how information is processed between groups. People from different national cultures may even have a different view on the concept of time as well as on how individuals establish relationships with others. The implications of such an analysis as Hofstede's, and indeed, the ideas put forward by Roney, are substantial for managerial practice within organisations, in which respect, it becomes appropriate to extend the discussion on culture further, into the concept of organisational culture. For as Gerhart and Fang (2005 p. 971) relate, "while national culture differences can be important and must be understood, their role needs to be put in the context of other important contextual factors, including organizational culture".

3.4. Organisational Culture

According to Meek (1988) the increased preoccupation with organisational culture was probably related to socio-economic factors in Western society, as at the time of this increased interest most Western countries were experiencing a dramatic downturn in their economies. This interest in turn, helped to emphasise the structural inequalities inherent in these societies and placed the structure of western capitalism under severe pressure. Furthermore many scholars were emphasizing cultural problems, "particularly where cultural problems are naively operationalised in terms of 'people problems' at a time when the structures of many Western institutions are under strain", Meek 1988 p. 4). Meek (1988) also stated that some social theorists were using the term 'culture' to embrace all that is human within an organisation. He felt that these theorists emphasised culture, either consciously or unconsciously, in such a way as to blur or hide problems and contradictions inherent in the social structure. This is a serious omission for "of course, both an organization's culture and its structure are socially created", Meek (1988 p. 453). Some studies of organisational culture presume that there exists in a real and tangible sense a collective organisational culture that can be created, measured and manipulated in order to enhance organisational effectiveness. This link between culture' and 'effectiveness' was quite pronounced, and studies incorporating in their title such phrases as the 'culture of corporate effectiveness' abound, Meek (1988). These studies implied that an ineffective organisation could be made effective and an enhance profit margin could be achieved if an unhealthy organisational culture was supplanted with a

healthy one. Barney, (1986 p. 656) agrees and points out that, “Firms that have cultures with the required attributes can obtain sustained superior financial performance from their cultures.”

According to McKenna & Beech (2002 p. 88), this made “culture a central and important topic in human resource management as it is concerned with the values, attitudes, beliefs, assumptions, actions and procedures that people adopt in organisational life.” Additionally, culture “encompasses the range of thought and action as they are reinforced in the corporate setting” McKenna & Beech (2002 p. 88) therefore it underscores many of the specific issues of people management. Furthermore organisational culture provides a framework within which the relationship between managers and employees operates and ultimately has an influence on the psychological contract, employees’ willingness to accept change and the ability of the organisation to be open about, and learn from, its experience. “Culture can be seen as a guide for living and collective mental programming developed over time. These guides are based on assumptions reflected in the attitudes, values and behaviour of individuals and groups”, McKenna & Beech (2002 p. 88).

According to Sorensen (2002 p. 71) “Organizational culture defines a normative order that serves as a source of consistent behaviour within the organization”, he believes that in this sense, organisational culture is a social control mechanism and at the same time frames people’s interpretations of organisational events and basic assumptions about organisational processes. Schein (1992 p. 15) emphasised that organisational cultures, “provide group members with a way of giving meaning to their daily lives, setting guidelines and rules for how to behave, and, most important, reducing and containing the anxiety of dealing with an unpredictable and uncertain environment.” Sorensen (2002 p.71) points out that “such widespread agreement about basic assumptions and values in an organisation should increase behavioural consistency and thereby enhance organisational performance, which is a function of the potential return to an organisation’s activities and its ability to carry out those activities”. It is argued that “successful firms distinguish themselves from less successful ones through their clearly articulated and shared norms and values regarding organisational functioning” Deal and Kennedy (1982 p. 15). They hold that “people are a company’s greatest resource, and the way to manage them is not directly by computer reports, but by the subtle cues of a culture”. In their view, creating a strong organisational culture is a powerful tool to

influence employees' behaviour and improve performance. It is widely argued that in Britain and the USA there was a move to introduce an organisational culture which emphasised individualism, seen in the shift, "to human resource management, and the growth in merit pay, assessment systems and greater attention paid to recruitment, selection and internal training schemes linked to flexibility," Purcell (1987 p. 540).

Furthermore it has been suggested that high individualism is associated with extensive policies concerned with employee development while high collectivism is seen in, extensive structures for employee participation and representation and where management willingly co-operates and supports such bodies (Purcell 1987). In those countries with a high collectivist orientation, there is a tendency to employ an organisational culture that leans toward cooperative decisions as opposed to individual decision-making. Consensus and co-operation are more valued than individual initiative and effort. Motivation derives from a sense of belonging, and rewards are based on being part of the group. The role of leadership in such cultures is to facilitate team effort and integration to foster a supportive atmosphere and to create the necessary context or group/organisational culture. The introduction of certain HRM practices and, more specifically, high performance work practices may have an impact on organisational culture, (Den Hartog & Verburg 2004) but their implementation and effectiveness may well be dependent on the management style and culture that already exists within the organisation.

3.5. The Influence of National Culture on Organisational Culture

Hofstede (2001) points out that, organisational cultures were the object of a study carried out in 1985-86 by the IRIC project, covering 20 organisational units in Denmark and the Netherlands. From this study, it appears that whereas national cultures differed primarily in their values, organisational cultures turned out to differ mainly in their practices. A major part of the differences among the 20 units could be explained by six factors representing six independent dimensions of perceived practices. These related to established concepts from organisational sociology and management theory. According to Hofstede, the six dimensions were validated against a variety of task, structural, and control system characteristics, but they also showed unique features based on the organisations' histories and leaderships. Discussing Hofstede's research, Beardwell & Holden (2001), highlight the importance of a country's political situation in influencing the culture of the organisations operating within it, noting that in democratic

societies the distance between the government and the governed is narrower than in dictatorships. In other words, a worker in the Philippines will have far less chance of influencing the decisions of government than would a worker in Sweden, and this set of relationships is mirrored in the workplace. Hence, such work attitudes are culturally determined and are liable to be accepted as much by the workforce as by the managers. Hofstede acknowledged that the values he had chosen to describe managerial difference were western-oriented, and that while employees in different countries outwardly appear to be carrying out the same type of work processes, the cultural values which individuals carry, shape their perception and understanding of their workplaces and their preferences for certain styles of working. Lok and Crawford (2004 p. 322) point out that,

“Organisational culture affects the way in which people consciously and subconsciously think, make decisions and ultimately, the way in which they perceive, feel and act”.

Since individuals bring their personal values, attitude and beliefs to the workplace, their levels of commitment to the organisation may differ. Values, attitudes and beliefs are reflected in different national cultures. How personal values fit in with the existing organisational culture and the influence of national culture on personal values could be a major difference in the difference in how firms in the east and west are managed. Considering such effects of national culture within organisations, Yousef (2000) explored these from the viewpoint of the relationship of leadership behaviour with organisational commitment, job satisfaction and job performance. The results suggest that those who perceive their superiors as adopting consultative or participative leadership behaviour are more committed to their organisations, more satisfied with their jobs, and their performance is high, but as Yousef (2000) explains, although organisational commitment has received substantial attention in past research due to its significant impact on work attitudes such as job satisfaction, performance, absenteeism, and turnover intentions, different scholars depending on their backgrounds have defined it differently, and clearly different nationals have varying attitudes towards the commitment expected of them in organisational life.

Turner and Trompenaars (1993) examined cultural differences in a world context according to them in Japan, social harmony and low turnover of employees assures that training and education do actually benefit the organisation, rather than being a cost incurred as people leave for better jobs. Additionally in France public opinion,

minimum-wage laws, health and safety regulations in the workplace, tax credits for training and educating employees, restrictions on hours worked and giving employment rights to part-time workers, severance payments and guarantees commensurate to the proportion of time they work, all benefit employees directly and employers indirectly. This means, say Turner and Trompenaars (1993 p. 372) that “the latter must then invest more in the machinery and the training each worker brings to bear on the task”.

Studies have also been carried out investigating national attributes in the setting of 'high context' and 'low context' cultures. According to Beardwell & Holden (1997) people in a low context culture appreciate explicit, clear written forms of communication. In contrast high context people such as Arabs are less likely to divulge information officially in written forms, as they have a tendency to develop extensive informal networks for exchanging information verbally, face to face, or by telephone. High context people say Beardwell & Holden (1997 p. 695) are also “more adept in interpreting non-verbal aspects of communication, and seeing the significance of what is implicit or not said, pauses, silence, tone, and other subtle communication signals”. According to Derversky (1997) in Libya, the meaning of a communication is implicit and interwoven, and consequently too hard for Westerners, accustomed to explicit and specific meaning to understand. This means Libyans like many of their Arab neighbours are a high context people. Libyans are warm, emotional, and quick to explode, sounding off is regarded as a safety valve (Derversky 1997). In fact the Arabic language aptly communicates the Arabic culture, which is one of emotional extremes. The language contains the means for over-exertion, many adjectives, and words that allow for exaggeration and metaphors to emphasise an extreme position. Language is a vehicle for the continuing transmission of information, (Derversky 1997) as well as ensuring the continuity of national thoughts and maintaining and reinforcing cultural identity. It can be understood, therefore, that the organisational culture in Libyan enterprises is underpinned by the Arab inheritance, since Arabic is the medium of communication and appreciation of all experiences.

3.6. The Influence of Organisational Culture on Managerial Culture

Organisations can also be characterised by their own culture that is, the distinct identity manifested in the form of physical artefacts but also, and far more importantly, embedded in less visible values and beliefs shared among organisational members (Dedoussis 2004). In this respect, Badawy (1980) has argued that managerial culture

and styles in Arab countries differ from those in the west, and he suggested certain areas for investigation in order to draw some comparison. This exercise begins with the nature of organisational design, for which according to Badawy (1980), there is a stereotypical structure, which may serve to describe both types of organisations.

Arab culture is typically seen as having a rich tradition of trade and commerce, and Arabs have a very strong sense of community their societies are generally characterised by a vertical integration, where human relationship is based on a person's hierarchical position, status, educational background, seniority and gender (Hofstede 1991). According to Hofstede's 1980 measure Arabian societies are relatively higher in collectivism and lower in individualism. Therefore, members place more emphasis on the welfare of the tribe, group or organisation relative to realising individual's potential. Each tribe, group or organisation perceives itself as a well-knit community. As decisions are made under the influence of the 'Sharia law, there is no potential for conflict, at least in theory, during the implementation stage and the power of Sharia law also increases employees' commitment to the final decisions in the organisation. (Abuznaid,1994) The Arab organisation is usually seen as being highly bureaucratic, over centralised, with all the power and authority at the top (Al-Faleh, 1987).

Badawy (1980) argues that this classic pyramid-shaped management structure leads to an ambiguous and unpredictable organisational environment, which creates vague relationships between the people within it. The western organisation, in contrast, is characterised as being less bureaucratic, usually with a management structure that is relatively decentralised, leading to more delegation of authority. Consequently, as Badawy (1980) observes, the patterns of decision-making within these two structures are different - ad hoc planning decisions being made at the very top of the Arab organisation, while much more sophisticated planning techniques are used in the western counterpart. According to Anwar and Chaker (2003) in the Arab organisation many rules are not stipulated as employees are expected to be motivated under the influence of Sharia law and Arabian companies generally tend to adopt a centralised command and control mechanism.

Arab management, according to Badawy (1980) may be unwilling to make decisions due to the high risk that is inherent in decision-making, whereas the western manager is believed to have access to many more modern tools of decision-making and also has the

added help of elaborate management information systems. The fact that Arab countries score high on Hofstede's power distance, and uncertainty avoidance index would seem to account for this management behaviour, and the provision of sophisticated decision-making tools may make absolutely no difference to the decision-making culture. Additionally within the Arab organisation, due to the tribal and personal links, the lines of communication are often overlooked and any workers can break formal lines of communication and take various issues affecting them to the top management. This is due to the fact that, emotions and feelings are quite often expressed in inter-personal communication in an Arabian organisation (Anwar & Chaker, 2003) rather than in a written form. Organisational culture and personal background affect managerial attitudes, values, and beliefs; and although Arab managers are far from homogenous in their orientations, it does appear that most Arab managers share some basic values that reflect Islamic and tribal traditions Abbas (1990). An effect of this is that Arab managers' select individual employees from what Badawy (1980 p.100) describes as the "right social origin" to fill positions within the company, whereas western managers are much more concerned about candidates' qualifications when making their selection decisions.

The management culture and methods used in Arab organisations, according to Badawy (1980) are seen as generally traditional and outdated while that in western organisations is much more modern, and this filters through to the communication culture. In the Arab company, for example, the tone will usually depend on the social position, power and family influence of the person being spoken to (Abbas 1990). Friendships in Arab organisations are important and binding as people relate to each other much more. However, where no such relationships exist, the chain of command in Arab companies must be followed, as the bureaucracy is authoritarian and rigid instructions are issued down the organisational structure in the traditional bureaucratic top-down approach (Badaway 1980). The perception of time in a typical Arabian organisation appears to be incongruent with the perception of time management in Western organisations. Activities in these organisations are less oriented towards the notion that "there is a work place and a time for every task" Anwar & Chaker (2003 p. 100). This kind of culture focuses on effectiveness rather than efficiency. The general picture of command and control structures in Arab organisations is in complete contrast, says Badawy (1980), to western companies where typically there is a greater emphasis on equality and a minimisation of difference between employees. People in these organisations

relate to each other much more loosely says Badawy (1980) and there is less emphasis on friendships and relationships. Of course these styles are seen as stereotypical but may not be apparent in every organisation in the Middle East or the West.

3.7. Management in Developing Countries

Many developing countries throughout the world including Libya, have paid a great deal of attention to national economic and social problems, according Almhdie & Nyambegeera (2004) however much less attention has been given to organisational or managerial development, both of which will have an important impact on the performance of national development plans. Modern management theories and techniques generally have their roots in the developed countries, most notably the USA (Kanungo & Jaeger 1990). However when they were imported by the developing countries to speed up their industrial development (Kanungo & Jaeger 1990) these as well as organisational practices and management programmes which were based on an uncritical adoption of the experiences of the economic growth model, were introduced without any consideration of the fundamental difference in socio-cultural constraints and local environmental conditions and circumstances.

Thurley & Wirdenhuis (1991) point out Europeans have recognised American expertise in management for nearly a hundred years and adopted modern management theories. However an uncritical use of western management theories and techniques has contributed not only to organisational inefficiency and ineffectiveness in developing countries, but to the resentment and other negative feelings associated with the perception of being subject to cultural imperialism. The impact of culture on management practices and management is due to managers' behaviour reflecting the values of the local culture and the perceptions which individuals in organisations have around them (Anwar & Chaker, 2003). Management practices and behaviour in the developing countries can be very different from those of the developed countries in that, in developing countries, modern management practice is non-existent or based simply on precedents, organisational structures are very rigid, hierarchical, and status-oriented, and decisions are made on the basis of non-rational criteria (Kanungo & Jaeger 1990).

There has been some research into differing countries management practice and management behaviour, Humphreys (1996) surveyed managers in the United Kingdom and Egypt, confirming that culture difference is a significant factor, and that western

management models and concepts are not necessarily completely transferable to other cultures. The value of Humphreys' research lies in the fact that Egyptian and Libyan culture are very close as the two countries are neighbours, in North Africa, and share the common elements of Arab culture, such as religion, language, habits and norms. Humphreys' concluded that western management tools need to be adapted and refined to fit the cultural context of recipient countries, and argued that the central factor in the success or failure of intercultural encounters in management is inter-personal communication as was also pointed out by (Derversky 1997). Al-Khalifa and Aspinnall (2000) also considered how the national culture represented by the shared values of a country, influence organisational culture and, thus quality implementations. The most important cultural values of the US, Japan and Arab countries were investigated and the information in Table 3.3 reveals how the priorities attached to particular values change one culture to another. Clearly, such varying predispositions can affect technology transfer, managerial attitudes and employees' performance.

Table 3.3: Priorities of Cultural Values

United States	Japan	Arab countries
1. Freedom	1. Belonging	1. Family security
2. Independence	2. Group harmony	2. Family harmony
3. Self-reliance	3. Collectiveness	3. Parental guidance
4. Equality	4. Age/seniority	4. Age
5. Individualism	5. Group consensus	5. Authority
6. Competition	6. Cooperation	6. Compromise
7. Efficiency	7. Quality	7. Devotion
8. Time	8. Patience	8. Patience
9. Directness	9. Indirectness	9. Indirectness
10. Openness	10. Go-between	10. Hospitality

Notes: "1" represents the most important cultural value, "10" the least

Many of the countries in the Middle East region have management systems similar to most other developing countries, (Budhwar and Mellahi 2007) namely those countries which emphasise sensitivity to local cultural norms and restricted participation in decision making. There is however an immense impact by Islamic values, Islamic work

ethics and Islamic principles on the management of human resources (Tayeb 1997). It is these very values and principles that make the transfer of management development theories and practices difficult across cultures.

3.8. Transferability of Management Theory across Cultures

According to Abbas (1990), researchers into comparative management, observe that in the developing countries' quest for economic progress, they face many managerial and social problems. But in the context of management, two issues stand out. The first is the transfer of Western management techniques and practices, and the second is the selection of an appropriate management style to achieve ambitious development goals (Abbas 1990). Therefore, Abbas (1990) believes that Arab business organisations should mirror changes in society, and as agents of change, new managers should be sensitive to the challenges they face at the organisational and societal levels. "The origin of HRM in modern organizations is largely a Western concept", Metcalfe (2007 p. 56). However any nations HRM policies are established in relation to the socio-cultural context within which organisations operate and include the national culture, ideology, economic conditions and the legal system. In his study of links in the Libyan context between job satisfaction and organisational commitment as well as a link between job satisfaction and job performance Aghile (2001) concluded that there is a transferability of HRM ideas across cultures. However managers in Libyan organisations need to better improve their understanding of their subordinates' attitudes, desires and preferences in all aspects of their work environment rather than the limited way in which they do now if they are to motivate them to perform more effectively (Aghile, 2001).

Religions also has an influence on the socio-cultural characteristic of any nations people and institutions, this is particularly relevant in Islamic countries, a fact that is highly relevant in any discussion of transferability of management development theories, (Tayeb 1997). In Islamic countries family, rather than the individual is seen as the main unit in society, within which men and women have a complementary role, and the family is viewed as a cultural asset. The main abiding principles include recognition of the man as the sole breadwinner of the family, a code of modesty that rests on the dignity and reputation of the woman that enforces restrictions on interactions between men and women, (Metcalfe 2007). This leads to, "...an unequal balance of power in the private sphere that is anchored in family laws based on Sharia," Metcalfe (2007 p. 59).

A number of studies have indicated that Arab countries exhibit higher levels of loyalty toward community (or collectivistic orientation), power distance, and paternalism. As a result, organisations are managed by fulfilling personal obligations toward in-group members rather than meeting organisational needs (Hayajenh et al., 1994). This paternalism is characterised most strongly in the supervisor—subordinate relationship within the organisation where supervisors assume the role of a parent and consider it an obligation to provide support and protection to subordinates under their care. Subordinates, in turn show loyalty, deference, and compliance to the supervisors, (Almhdie & Nyambegeera, 2004). Additionally, most managerial practices in Libya result directly from the belief of in-group embeddedness and hierarchy, in the main employees prefer seeking guidance, direction, affection, and patronage from their superiors in all matters. A new environment of political pluralism, along with freedom of expression and respect for human dignity, should motivate Arab managers to use their talents and enhance their attitudes toward risk-taking (Abbas, 1990). Furthermore, Abbas, (1990 p.11) suggests that,

“...in conducting their organisations’ affairs, managers should value goal setting, consultative/participative decision-making, and the contributions that employees can make”.

From the discussion so far regarding national culture, organisational culture, and managerial culture, it can be understood that Libya’s work culture is very different from that found in Europe, in the sense that it is more similar to that which exists in the Arab and Mediterranean countries. As a consequence, meetings will not commence immediately with the first point on the agenda; first, there will be an element of small talk and something to eat, and only then will work commence. Planning is short-term, pragmatic and not fully strategy-oriented. Only when it comes to large-scale projects will there be strategic thinking. Because of the Libyans’ propensity to act within groups, business does depend on friendship and indeed, is geared at generating new friendly relations among people. In such an environment, trust and reliability are important factors: riding roughshod over them may endanger the successful completion of any business venture (Reports of International Labour Office, 1989). Working hours differ between the public and private sectors. In the former, working hours are from 8.00 am to 2.00 pm (winter time) and 7.30 am to 2.30 pm (summer time), while working hours in the private sector are from 8.00 am to 2.00 pm and from 4.00 pm to 6.00 pm (winter

time), and can extend into the evening, 9.00 am to 2.00 pm and 3.00 pm to 8.00 pm (summer time). Despite assertive leadership in some enterprises and administrative boards, employees tend to enjoy a great deal of freedom (Reports of International Labour Office, 1989). The leadership styles of higher-ranking personnel who have studied abroad, or who have management experience, reflect their British, German, Italian, and American training. Because of the traditional unity of the family and the groups, Libyans are equipped with a high degree of social competence and the ability to think collectively. This makes the establishment of teamwork in firms and the public administration easier. With regard to day-to-day communication, the exchange of information between employees or private enterprises is mostly informal. This is not the case with state entities, which follow formal and bureaucratic procedures, a fact that demands patience and perseverance. Flexibility constitutes an important element of Libya's as well as Africa's and the Mediterranean's professional work in general.

3.9. Conclusions

From the literature reviewed so far, it has become clear that serious barriers to management development may occur as a result of social and cultural aspects. Badawy (1980), Fatehi, (1996), Derverskv (1997) and Beardwell & Holden (2001), all note that communication processes within organisations are influenced by cultural influences and that some of these may prove to be obstacles to effective management development. McGoldrick et al. 2002, state that as HRD has no singular identity. There is no single lens through which to view it as it is a socially constructed phenomenon that will certainly be affected by cultural influences.

Recently there has been a significant change in the Middle East as a whole the levels of state ownership in several Middle Eastern countries have been significantly reduced as a massive process of privatisation swept across the region. The main aspect has been the shift from centrally commanded economies or high government interference to an economic system where market driven forces rather than government sponsored and protected initiatives drive the economy. As a result, the central government control over HRM practices has been greatly reduced and further, economic liberalisation has had a strong impact on HRM systems. In much of the management literature culture is seen as having a considerable impact on management development (Hofstede 1997), the Arab world's position is mainly influenced by religion, which shapes most Arab

thinking. Research in the Arab regions has shown that culture plays a significant part in the way managers perceive organisational policies in general and those that they implement in particular.

Roney (1997) considered the differences between national cultures suggesting there maybe some difference in the degree to which individuals are integrated into groups, or even how information is processed between groups. People from different national cultures may even have a different view on the concept of time as well as on how individuals establish relationships with others. In some studies of organisational culture there is an argument that an 'organisations culture' can be created, measured and manipulated in order to enhance organisational effectiveness. The implication from these studies was that an ineffective organisation could be made effective and an enhance profit margin could be achieved if an unhealthy organisational culture was supplanted with a healthy one. Deal & Kennedy (1982) maintained that the more successful organisations distinguish themselves from less successful ones through their clearly articulated and shared norms and values regarding organisational functioning. In their view, creating a strong organisational culture is a powerful tool to influence employees' behaviour and improve performance.

According to McKenna & Beech (2002), this made culture a central and important topic in human resource management as it is concerned with the values, attitudes, beliefs, assumptions, actions and procedures that people adopt in organisational life. In cultures where there is a more collective situation there is a tendency to employ an organisational culture that leans toward cooperative decisions as opposed to individual decision-making. Consensus and co-operation are more valued than individual initiative and effort. Of course a countries political situation will have an effect on the culture of the organisations operating within it, Beardwell & Holden (2001).

In more democratic societies the distance between the government and the governed is narrower than in dictatorships. This will affect the chance a worker has of influencing the decisions of government and such work attitudes are culturally determined and are liable to be accepted as much by the workforce as by the managers. In their work Turner & Trompenaars (1993) examined cultural differences in a world context. They concluded that the social harmony said to exist in democratic countries can lead to low turnover of employees and assures that training and education do actually benefit the

organisation, rather than being a cost incurred as people leave for better jobs. Other researches like Beardwell & Holden (1997) studied national attributes in the setting of 'high context' and 'low context' cultures. It appears that people in a low context culture appreciate explicit, clear written forms of communication. In contrast high context people such as Arabs are less likely to divulge information officially in written forms, as they have a tendency to develop extensive informal networks for exchanging information verbally, face to face, or by telephone. High context people are also more adept in interpreting non-verbal aspects of communication, and seeing the significance of what is implicit or not said pauses, silence, tone, and other subtle communication signals.

The Arab organisation is typically seen as being highly bureaucratic, over centralised, with all the power and authority at the top. Badawy (1980) argues that this classic pyramid-shaped management structure leads to an ambiguous and unpredictable organisational environment, which creates vague relationships between the people within it, ad hoc planning decisions being made at the very top of the Arab organisation. Additionally, in the Arab organisation many rules are not stipulated as employees are expected to be motivated under the influence of Sharia law and Arabian companies generally tend to adopt a centralised command and control mechanism, Anwar & Chaker (2003). There is unwillingness on the part of managers in Arab organisations to make decisions due to the high risk that is inherent in decision-making. The fact that Arab countries score high on Hofstede's power distance, and uncertainty avoidance index would seem to account for this management behaviour, and the provision of sophisticated decision-making tools may make absolutely no difference to the decision-making culture. Another significant difference in an Arab organisation is that time does not have as much importance activities in these organisations are less oriented towards the notion that "here is a work place and a time for every task" Anwar & Chaker (2003).

This kind of culture focuses on effectiveness rather than efficiency. The implications of such an analysis as Hofstede (1991) and indeed, the ideas put forward by Roney (1997), lend credibility to work of Dedoussis (2004), McKenna & Beech (2002, Derversky (1997), as well as Turner and Trompenaars (1993 and provide evidence of the role that national and organisational culture can have on managerial practice within organisations. There are some countries in the Middle East region which have management systems similar to most other developing countries, (Budhwar & Mellahi

2007) however there is an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources (Tayeb 1997). It is these very values and principles that make the transfer of management development theories and practices difficult across cultures. There are two issues which stand out these are the transfer of Western management techniques and practices, and the selection of an appropriate management style to achieve ambitious development goals (Abbas 1990). For Abbas (1990) the decision is easy, he believes that Arab organisations should mirror changes in society, and as agents of change, new managers should be sensitive to the challenges they face at the organisational and societal levels. It appears therefore from the literature reviewed that like other Arab countries, Libya's work culture is very different from that found in Europe.

In chapter one it was pointed out that past research studies looked at management in hierarchically structured organisations operating in relatively stable environments. From the review of literature for chapter two it is apparent that the development of any country will depend on the how effective organisations, industries, business, services and professionals in both public and private sectors are. Ultimately however the success of these organisations in achieving their objectives depends largely upon the effectiveness of their managers. Furthermore Sutherland (2003) believes that the effectiveness of the managerial workforce will also help a nation to solve economic, social and even political problems. But as the research for this chapter has shown both national and organisational culture will have an effect. In chapter four a comprehensive investigation of the need for HRD and MD as well as the debates and issues that surround them is undertaken. Theories of HRD are considered as is the limited literature regarding models of MD and approaches to it. Finally culture and management development is investigated to highlight the applicability/transferability of Western MD practices to transitional societies like Libya.

CHAPTER FOUR

HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT

DEVELOPMENT LITERATURE REVIEW

4.0. Introduction

In this chapter the intention is to not only review the existing relevant literature on the development of human resources, but also interconnect this information with the literature reviewed in the previous two chapters which dealt with the Libyan environment and its culture. In chapter two the Libyan environment was considered and it was discovered that recently there has been a significant change in the country as the levels of state ownership have been significantly reduced as a massive process of privatisation has been introduced. The main aspect has been the shift from central command or high government interference to an economic system where market driven forces rather than government sponsored and protected initiatives drive the economy. As a result, the central government control over HRM practices has been greatly reduced and further, economic liberalisation has had a strong impact on HRM systems. Although as Metcalfe (2007) points out, HRM in modern organizations is largely a Western concept, any nations HRM policies are established in relation to the socio-cultural context within which organisations operate and include the national culture, ideology, economic conditions and the legal system. This argument was supported by the literature reviewed for chapter three. In much of the management literature culture is seen as having a considerable impact on management development and religion of Islam plays a significant part. Clearly then, a western organisation operating in a non-western setting is likely to find some differences between the established organisational culture, and the culture of the local people it employs. Likewise, the same problems can be predicted for a non-western environment that attempts to import a western culture.

In the introduction to this research it was pointed out that the success of organisations is highly dependent on the effectiveness of those individuals who are responsible for management duties (O'Reilly & Pfeffer 2000). However Mendonca (2000) confirms the need to recognise that management practices and techniques are dictated by a unique construction of different cultural and institutional factors, and that those developed in the context of western cultural values, cannot be adopted in developing countries like Libya. Although Libya has, from the outset, been attempting to diversify its economic

base, with strong emphasis on industry, it has largely neglected the human factor in the development equation. Much attention has been paid to national economic and social problems, but less to human and managerial problems (Aagnaia, 1997).

The review of the literature for this chapter begins therefore, by considering the need for human resource development (HRD) and investigating the American inspired theory of performance improvement, which is prevalent in the literature, as well as the value, purpose, theories and approaches and finally the boundaries of HRD. Because of the nature of this research, with its emphasis on the applicability/transferability of Western HRD models, the next section of the chapter investigates the globalisation of HRD. Additionally both the international and national contexts of HRD are considered as is the theory of convergence.

As the area of HRD most important to this research is management development (MD) the bulk of this review is devoted to an investigation of its value, responsibilities, boundaries and purpose. The main areas of this research into MD are considered next, these are organisational strategy and policy for MD, its implementation and evaluation. The various rationales, theories, approaches, models and typologies of MD are considered in the next section. The final section of the chapter explores a variety of countries approaches to the topic and the difficulties some have in applying or transferring western practices to their culture. In the summary section the final section of this chapter the information gathered from the review of the literature on Libya's environment and culture are presented in brief and connected to the main areas of research which have been covered in this chapter.

4.1. The Need for Human Resource Development (HRD)

Libya is a North African developing country, and, as such, is modernising business practices to become more competitive in the emerging global economic environment. It is a country confronted with major challenges, such as high rates of illiteracy and unemployment that are related to the development of workplace expertise and therefore the emergence of HRD. According to Nadler (1992) HRD has been around for a very long time it existed mainly in military, government, and religious organisations until the advent of the industrial age. Then, it began to slowly grow in size and importance, with a major thrust emerging in World War II. The initial definition of HRD "was popularly attributed to Nadler 1968 but it appears that it was defined earlier in 1964 by Harbison

& Myers in their 1964 publication, *Education, Manpower and Economic Growth: Strategies of Human Resource Development*”, Paprock (2006 pp 18-19). These writers offered as a definition the following, “Human resource development is the process of increasing the knowledge, the skills, and the capacities of all the people in a society” (Harbison & Myers, 1964, p. 2). These authors also emphasised the multidisciplinary nature of HRD, they expanded on this definition:

“In economic terms, it [HRD] could be described as the accumulation of human capital and its effective investment in the development of the economy. In political terms, human resource development prepares people for adult participation in political processes, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps people to lead fuller and richer lives, less bound by tradition. In short, the processes of human resource development unlock the door to modernization”.

(Harbison & Myers, 1964, p. 2)

These authors highlighted the numerous ways in which human resources are developed either through formal education, on the job, self-development, “improvements in the health of the working population through better medical and public health programs,” and “improvements in nutrition, which increase the working capacity of people, on a man-hour basis as well as over a working life” (Harbison & Myers, 1964, p. 2). In this early definition the operational boundaries of HRD are extended beyond the organisation and the development of individuals within the organisation is clearly identified as a major contributor to national development and competitiveness. This view is supported by McLean & McLean (2001) when they proposed that,

“HRD is any process or activity that, either initially or over the long term, has the potential to develop adults’ work-based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity”.

(McLean & McLean 2001, p 322)

McLean (2004, pp 270-271) stated that “each country will have its own definition of national human resource development, that is appropriate and necessary”. McLean (2004) argued that it was not possible to create a synthesised view of HRD because individual backgrounds are too diverse. McLean (2004) believes that the focus must be placed on, “how this diversity affects our development of HRD theories and abandon

efforts to identify a unitary theory or explanation” (Mc Lean 2004, p. 421). It is apparent that any definition of HRD will be influenced by a country’s value system, in the US context the emphasis is on performance while religion and community predominate as influences in other countries. McLean and McLean (2001 p. 313) point out that, “The most common US definitions have influenced definitions around the world, yet definitions are also influenced by the context in which the definitions have emerged. It was not until the late 1980s that HRD began to see performance improvement as an underlying component of the HRD definition.

Much of the published literature on the definition of the field has been focused in the west—originally, in the United States (Weinberger, 1998) and, increasingly, in Europe. Wang and McLean (2007) state that the field has still to reach a consensus on any number of fairly basic issues such as identity, central locus or purpose, boundary, philosophical and theoretical underpinnings, relationship between HRD and Human Resource Management (HRM), and disciplinary nature. Although the quest for the essence of HRD is intensifying, at this time, no single point of view on HRD definition or HRD framework is predominant Dilworth (2003). In 1998 Weinberger argued that this was the case because due to the interdisciplinary nature of human resource development (HRD), there was little agreement as to the underlying definition and primary theories that form the basis for the field.

4.1.1. The Purpose of HRD

HRD is about the functioning of individuals in productive systems (Swanson and Holton, 2001) and its purpose is to focus on the success the human resource can bring to the organisation. There are some HRD practitioners who object to this characterisation of people as “capital” on the grounds that it is demeaning to the individual and devalues their intrinsic worth, (Holton & Yamkovenko 2008). But if the fundamental premise of human capital theory is not embraced at least as a foundation, then the whole purpose for HRD within organisational boundaries is flawed. Chan et al., (2004) point out that human capital is important but the main driver for sustained superior performance is a combination of human capital management capabilities and an appropriate culture. According to Chan et al., (2004) there are researchers who propose that human capital itself as a source of sustained competitive advantage by testing it against the Resource based theory (RBT) criteria. These researchers emphasise that employees at all levels form the resource pool for a firm’s competitive advantage. However other researchers

have argued that the source of sustained advantage is the capacity to manage human capital.

Pilbeam and Corbridge, (2002) explain that the origins of the resource based theory (RBT) based model emerged out of business strategy literature, and has been influential in the initiation of developments in pay systems, training and development and other HR issues. The resource based theory (RBT) places unique bundles of assets (including 'human assets') at the heart of any organisation. It is an organisations access and use of these assets that provides the source of its competitive advantage in the marketplace. This resource based view of the firm according to Pilbeam and Corbridge, (2002) concentrates on its internal resources, strategy and business performance, where the contribution of a firm's human resources is to promote competitive advantage through developing 'human capital' rather than just aligning human resources to the firm's strategic goals. It is not just the behaviour of human resources that is the main focus but also the skills, knowledge, attitudes and competencies which they bring the firm. All of these factors promote sustained competitive advantage and corporate growth.

In strategy research it has been identified that many firms differ in their competitive superiority and profitability, the most recent strategy literature highlights the resource based theory (RBT) as a leading paradigm in explaining a firm's competitive superiority, (Hyvonen & Tuominen, 2007). At the heart of this RBT theory is a firm's heterogeneity, the idea that firms differ in their resource positions, and that such resource heterogeneity is a source of performance differences across firms. The resources are defined as those attributes of physical and knowledge-based assets and capabilities that enable a firm to conceive and implement strategies that lead to positional advantages and performance differentials.

It is possible of course to argue that HRD outside organisational boundaries may have other purposes, but within those boundaries HRD must embrace the notion that the purpose is to help organisations achieve its goals. For when organisations are the targeted performance system, the purpose of HRD might be to develop and unleash human expertise to improve the performance and sustainability of the organisation by enhancing the learning and performance capabilities of individuals, processes, and social subgroups within the organisation (Lynham & Cunningham 2004). However when nations are the targeted performance system, the purpose of HRD becomes to develop and unleash human expertise for national economic performance, political and

social development, growth, and well-being by enabling and enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organisations and the nation as a whole. Garavan et al., 2001; Mankin, 2001; and McGoldrick et al., 2002 have all pointed out that different approaches to understanding the nature of learning has led to increasing controversy about both the nature and purpose of HRD itself.

Garavan et al. (2004) suggests that the purpose of HRD at the community-societal level is concerned with the provision of education and the development of human capital toward improving national competitiveness and the quality of life of citizens. Human capital is created by changing individuals and this change is defined by providing them with knowledge and skills necessary to act in new ways (Garavan et al. 2004). Such change is usually implemented by HRD because the purpose of HRD is to develop and unleash human expertise through training and development and organisational development to improve performance (Swanson & Holton, 2001). Furthermore Holton & Yamkovenko (2008) point out that training and development aims at increasing the knowledge of an individual and organisational development aims at improving organisational leaning. Therefore, HRD has a specific and distinct task of increasing human capital in organisations and a more general task of increasing the intellectual capital of the firm. In other instances HRD interventions may be aimed at improving commitment and loyalty of the organisational members, specifying purpose and mission of an organisation and instilling a sense of shared vision, improving climate, and developing distinct organisational culture.

4.1.2. Performance Management

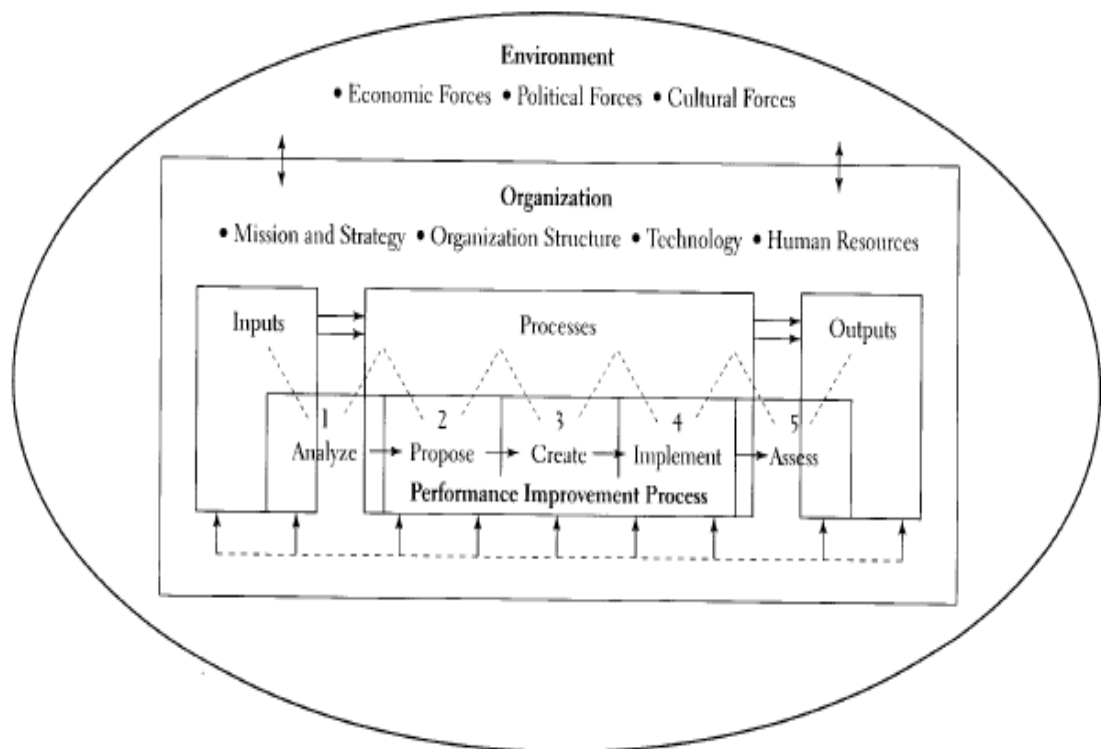
The performance management process is expected to provide a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or performance appraisal schemes (Armstrong, 2011). It is based on the principle of management by agreement or contract rather than management by command. The performance management philosophy emphasises development and the initiation of self-managed learning plans as well as the integration of individual and corporate objectives (Armstrong, 2011). Performance management can play a significant role by providing an integrated and coherent range of human resource management processes which are mutually supportive and contribute as a whole to improving organisational effectiveness

(Armstrong, 2011). A definition is supplied by Armstrong, (2011) for as he says it is the “integrating the values contained in the HR strategy into performance management processes and ensuring that reviews concentrate on how well people are performing those values”. The high performance strategy will set out how the organisation can achieve competitive advantage by improving performance through people. The main aim is to support the achievement of the organisation’s strategic objectives.

4.1.3. Performance Improvement

“The theme of performance or performance improvement kept emerging from the HRD definitions as a fundamental theory of HRD from a US American perspective”, Weinberger (1998, p 84), mainly due to the fact that greater emphasis placed on the need for learning to be tied to the organization’s strategic objectives, as a method for improving performance (Rummier and Brache 1995; Swanson 1995). As a result of demands for higher performance, increasingly performance improvement theory supplied powerful and practical principles and models to help practitioners identify and solve performance problems, (Swanson 1999).

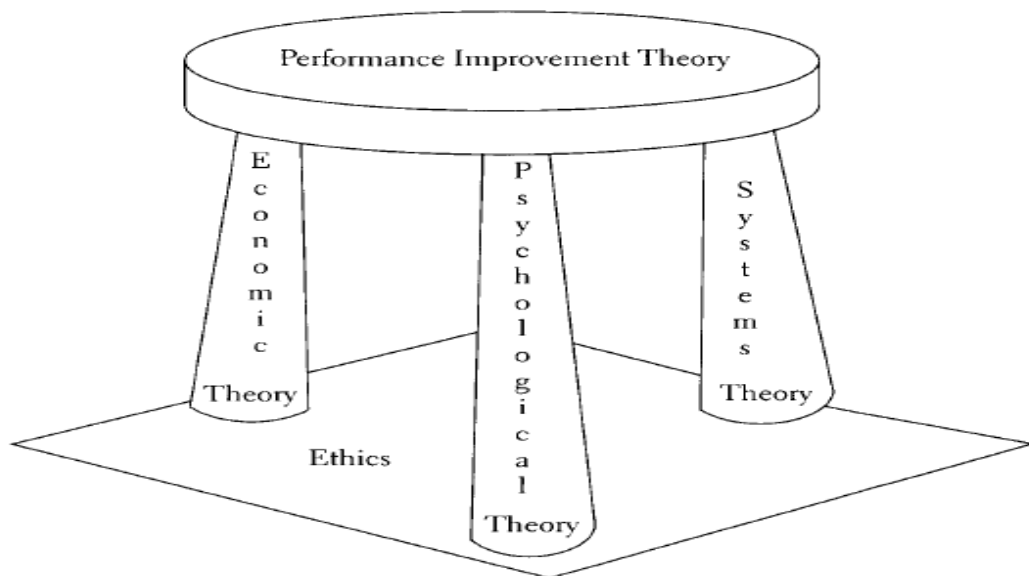
Figure 4.1: A Systems Model of Performance Improvement



Source: Swanson (1999 p. 3)

The concepts and the underlying principles of HRD may be similar throughout the world, but the way in which HRD is practiced may differ greatly in different parts of the world. In developing parts of the world especially, the aspect of national human resource development (NHRD) is being given increasing emphasis (Paprock, 2006). According to Swanson (1999) a discrete and logical set of theories is proposed as the foundation of performance improvement. They consist of economic theory, systems theory, and psychological theory.

Figure 4.2: The Theoretical Foundations of Performance Improvement Theory



Source: Swanson (1999 p. 12)

Figure 4.2 depicts the theories as a three-legged stool, with the three legs providing great stability for performance improvement as a field of practice that functions in the midst of uneven and changing conditions. More recently as organisation become continually disconnected from regional and national values due to globalisation and free market conditions the stool has been positioned on an ethical rug. The rug represents a filter between the three theories and the context in which performance improvement functions. New methodologies for individual performance improvement began to emerge and the focus was now on how to enhance an individual's environment and foster those factors that support a person applying newly learned skills on the job (Ruona & Gibson 2004). There were also developments around needs assessment, task analysis, evaluation, and return-on-investment. Competency-based learning came into vogue as a way to focus on critical components of the job and reduce unnecessary

training. Behavioural modelling became even more popular and trainees also began to receive training via computers as instructional designers worked to leverage technology to create designs that were interactive and learner-centred as well as more time- and cost-efficient (Ruona & Gibson 2004).

4.1.4 Value of HRD

In any analysis of HRD the notion of humans as resources is a dominant theme, (Garavan et al., 2004) however, there is some evidence that individual-level concerns and values are reasserting themselves. Employability, entrepreneurial behaviours, and team working trends, are seen as contesting the notion of humans as resources, which Russell (2001) and Holton et al. (2000) argue dominate both HRD practice and the underlying belief and values of many HRD scholars and practitioners. Employability emphasises the need for people to acquire competencies that are of value in the marketplace as well as within the organisation. There has also been a recent trend toward entrepreneurial behaviour and for individuals to take responsibility for their “own show”. This points toward an expectation that although individuals are encouraged to interact with others and demonstrate effective teamwork, they are also expected to demonstrate individuality and “added value” (Beck and Beck-Gernsheim 1996).

These two competing philosophies and strategies, the investment strategy and the employability strategy, dominate the research agenda at the level of the firm. Sonnenfeld & Peiperi (1988) found that firms who are the dominant competitor in the marketplace tend to place greater value on HRD and ensure that extensive development opportunities are available to employees. According to Zula & Chermack (2007, p 259), “The role and value of HRD must be further researched to determine effectiveness and cost along with the organizational impact on intangible assets and ultimately wages and income”. Adding value to the organisation is a fundamental requirement of HRD, (Wang & Sun, 2009). Torraco & Swanson (1995) and Brinkerhoff & Gill (1994) agree that linking learning and performance interventions and change initiatives to the organisation’s strategic business goals and objectives is critical to the success of HRD. However Dirx et al. (2004, p46) suggests that, “When HRD goals are compatible with and responsive to the organization’s strategic goals and objectives, HRD’s value increases. Conversely, when they are not aligned, the value of HRD diminishes”.

4.1.4. Theories and Approaches to HRD

There are a number of different approaches to HRD with implications for HR, practitioners “it is important to consider the significance of context and external influences on practice; growing emphasis on organisational change and development; support for and facilitation of career and management development; creation of internal networks and the need for continuous learning and reflexive practice” Leopold et al. (2005 p. 377. Particular attention has to be given to the changing demands and stakeholder needs that are pushing for current skills deficits to be matched as well as placing an emphasis on anticipating future needs. There is a move, particularly seen at senior practitioner level, from direct service provision through training analyses and training interventions to managing processes of learning, continuous professional development and knowledge management (Leopold et al. 2005). HRD takes place between external and internal organisational environments and links to strategic decision-making and specific employee and management development interventions. Therefore learning and development needs to be seen as an integral part of business processes rather than a bolt-on activity or an optional extra (Leopold et al. 2005). Employers have to be convinced of the need to invest in learning opportunities and be proactive in promoting and accounting for the outcome of HRD activities if they are to be seen as key partners in the business. Different approaches to HRD are needed in relation to different ever changing organisational contexts and stakeholder needs.

These different approaches to HRD begin with bureaucracy and instruction, and range through human relations and formal courses, national vocational qualifications, to change management and experiential learning, learning organisations and the Internet. All these developments have conditioned our present scene. Some organisations today may be at the cutting edge of HRD, but this does not apply universally. There will be others where training is at best superficial and at worst non-existent. The field of HRD is evolving from “anecdotal interventions” to an evidence-based field from external and internal organizational demands, (Zula & Chermack 2007) as stakeholders within organisations now insist on factual evidence to demand impact based upon measurable outcomes. Those who support this approach are influenced by functional utilitarianism which considers organisations to be social machines capable of converting inputs into outputs, designed and controlled by humans who are goal oriented, (McGuire &

Jorgensen, 2011). In this approach HRD is seen in terms of the instrumental attainment of organisational goals, bottom-line performance, and positive image. According to McGuire et al. (2002, p.122), “The instrumental role of HRD in achieving organizational effectiveness and supporting organizational change is evaluated against the cost of financing such activities”. Although this functionalist/utilitarian economic approach to HRD dominates the literature; social constructivist/social constructionist approaches are emergent; and postmodernist and critical theoretical approaches remain the pursuit of a small minority. Issues like the pace of change in the world, technological evolution, the growth of the knowledge economy and globalisation have all highlighted the central role of learning and development, skills and capabilities, and the value of knowledge for societies, organisations, and individuals (Lepak & Snell, 2003). Zidan (2001) argues that HRD possesses the potential to create economic development benefits at a societal level, for by using human capital theory, societal approaches HRD will have a significant influence on the effectiveness of firms operating within a society.

In order for this to happen however the support of government would be required and Cho and McLean (2004) differentiate five strategic governmental approaches to HRD, which could also serve as a basis for international comparisons. These included: centralised, transitional, government initiated, decentralised/free-market, and small nation strategies. There is no need for conflict between those who argue for a purely economic or humanist approach to human resource development. For even though the development of man for himself is considered by humanists as the ultimate goal those who support the economic approach will point out that economic progress can also be one of the principle means of attaining that goal. At a societal level goals are political, cultural, social as well as economic and human resource development is a necessary condition for achieving all of them. If a country is unable to develop its human resources, it cannot develop much else, whether it is a modern political and social structure, a sense of national unity, or higher standards of material welfare. This is because “Progress is basically the result of human effort” Garavan et al. (2004, p. 423).

Human capital theory addresses the macroeconomics relations of production and economic development and portrays human capabilities, including knowledge, skills and efforts, as integral parts of the capital of a country, along with financial and natural resources (ILO, 2003; Zidan, 2001). This theory is also seen as central to debates about

globalisation (Stiglitz, 2002) and the basic premise of this theory is that investments made in educating and developing the workforce and developing their skills will pay dividends to a country. According to Wang & Holton (2005) although many HRD professionals accept human capital theory as a foundation of HRD some critics have challenged the field's supposed allegiance to human capital theory. Weinberger (1998) reviewed several U.S. definitions of HRD and examined their underlying theories. Acknowledging HRD as interdisciplinary in nature and pointing out that many fields of study inform HRD theory and practice, she identified the primary influencing forces as psychology with a learning emphasis, systems, economics, and performance. Swanson & Holton (2001) having recognised the tension in academia regarding HRD noted, "The discipline of HRD relies on three core theories in order to understand, explain and carry out its process and roles... they include psychological theory, economic theory, and systems theory" Swanson & Holton (2001, p. 304). The psychological approaches to HRD usually focus on explaining behaviour, mental processes and their effects on performance, (McGuire et al. 2002). Concepts such as the psychological contract (Rousseau 1995), psychological mindedness and psychological maturity are all relevant to understanding HRD.

According to Swanson (1999) the economic theory is recognised as a primary to survive along with its financial metrics at the organisational level; psychological theory acknowledges human beings as brokers of productivity along with their cultural and behavioural nuances while systems theory recognises purpose, pieces, and relationships that can enhance or strangle systems and subsystems. Swanson (2001, p. 304) argued that systems theory captures the "complex and dynamic interactions" of a range of organisational characteristics, including environments, work processes, and group and individual variables. Kuchinke (2001) cautioned that systems theory should not be viewed as the primary disciplinary foundation for HRD. The essence of HRD is viewed according to the viewers' philosophical groundings, as well as the view regarding what is central and how far the margins should be extended. So, generally speaking, how might HRD approximate its boundaries?

4.1.5. Boundaries of HRD

HRD as a field of academic study is relatively recent and primarily of American origin, the two of the main milestones in the emergence of the discipline of HRD are McLagan & Suhadolnik's (1989) HR wheel that differentiated HRD from other HR functions and

the formation of the USA-based Academy of HRD. Over the years the field of HRD has expanded beyond training and development to include a strong connection to corporate strategy, individual responsibility for learning, extension into team learning, incorporation of career development, an emphasis on internal consultancy, organisational learning and knowledge management and the nurturing of the intellectual capital of an enterprise (Easterby-Smith & Cunliffe, 2004; Walton, 1996). In the United Kingdom scholars have highlighted the importance of culture, leadership and organisational learning as components of HRD processes (McGoldrick et al., 2002; Easterby-Smith and Cunliffe, 2004). The terrain of HRD inquiry has thus perhaps always been multidisciplinary Metcalfe and Rees (2005). More recently an increasingly researched area of inquiry has been to try and figure out the current boundaries of HRD research, in order to aid both theoretical development and HRD practice. Greater consideration has been given to how HRD contributes to the broader goals of economic and social development (Zidan, 2001). Hatcher (2003) has highlighted debates about the social and ethical responsibility of HRD, and implied that HRD has a key role in developing communities and in reviewing convergence and divergence in HRD roles and practices across Europe, “it has to be acknowledged that the contextual factors in mainland Europe are an important influence upon HRD outcomes” Woodall et al. (2002, p. 341).

4.2. Globalisation of Human Resource Development

According to Metcalfe and Rees (2005) “Globalization and HRD has become a growing area of intellectual inquiry”. The emerging global economy is best described as being based on entrepreneurship, oriented toward human development, and environmentally sensitive. Innovation and creativity will become even more important in tomorrow’s economy and honing these skills as well as managing and fostering them will continue to be a key managerial challenge (Metcalfe & Rees 2005). There has been no other time in the history of business and industry when there has been such an awareness of the critical importance of human resources, which necessitates an even greater awareness of the critical importance of well-prepared global HRD professionals to help develop, nurture, sustain, and cultivate human resources around the globe (Metcalfe & Rees 2005).

Globalisation has paved the way for greater cross-cultural communication and necessitated greater awareness of diverse management and business values as important

aspects of competitiveness (Sklair, 2001; Sparrow et al., 2004; Kiessling and Harvey, 2005). Unfortunately it has also highlighted patterns of ‘uneven’ economic and social development and made more visible the disparities in education and skill levels across countries (Stiglitz, 2002; UNDP, 2003; World Bank, 2003). Consequently, there has been a growth in comparative and international HRD research, as the nuances of global HRD systems are investigated and the societal and cultural practices that shape HRD and learning in different geographic locations are identified (Cho and McClean, 2004; Ashton et al., 2002; OECD, 2000). Global HRD can be characterised as primarily being concerned with the strategic development of HRD as well as organisational systems and practices in the global organisation. As Boxall (1995, p. 100) stated, this amounts to “HRD on a larger scale”. Sydhagen and Cunningham (2007), point out although the force of globalisation has been in existence for hundreds of years, it has only recently exploded especially in terms of labour movement and the transfer of capital across national borders. Globalisation has not had the same impact on Africa as it has in other parts of the world (see table 4.1). However, most African countries have made significant advancements in terms of trade liberalization.

Table 4.1: Features of African and Western Worldview — Dealing With a Cultural Diverse Work Environment

Western	African
History of colonizing (superior, the oppressor, imposed controls on workers allowing little worker initiative)	History of being colonized (subordinate, the oppressed, possessing limited labour skills)
Individualistically oriented (me, promotes self-realization)	Collectivistic oriented (the group is important, responsibility is shared and accountability is shared).
Low context communication (tends to be direct, precise and clear)	High context communication (tends to be indirect and ambiguous)
Low power distance (individuals viewed as equals, superiors and subordinates are interdependent)	High power distance (individuals viewed as unequal, subordinates dependent on superiors)
High need for economic achievement (long experience of economic growth)	Lesser (but increasing) need for economic achievement (emerging economies)
High ‘technical intelligence’ generally in high regard (holding of values and norms, proper language and customary practices)	High ‘social intelligence’ generally in high regard (conscious tradable skills is preferable)
Delegation of authority (sharing of information, more participatory management style)	Pushing decisions upwards in the organizational hierarchy (encourages dependent behaviour, reduces opportunities for sub-ordinates to engage in more interesting work)

Sources: Ferraro (2002), Gudykunst (1998), Hofstede (1980), Jackson (2004) and Thiemann (2005).

Extract from Sydhagen and Cunningham (2007 p. 127)

Although all economies have to face the force of globalisation (Marquardt and Berger, 2003), it can be argued that the Africa is especially vulnerable due to factors such as low skills development, skills migration, and HIV/AIDS. On the positive side, fortunately there are forces that give hope for some countries on the continent, such as the African Renaissance and an increasing focus on developing the African management identity (Jackson, 2004).

Political as well as economic freedoms have proven to be essential to the development of any society, but human resource development is critical in building upon these opportunities. An undereducated and untrained population will get only the unwanted, unskilled jobs which are paid at below-minimum wages (Reich, 1991). Therefore developing the human potential of each individual to participate in expanding political and economic opportunities must become the overarching goal of the HRD profession. Companies throughout the world must now recognise that the ability to compete globally will be very dependent on the quality and level of global training in their organisation. For organisations seeking to compete in globalised markets, world-class global HRD can make the critical difference and training must be seen as the ultimate key to executing the bold vision and strategies needed for global success.

4.2.1. International Human Resource Development (IHRD)

IHRD is a broad term that concerns processes that address the formulation and practice of HRD systems, practices and policies at the global societal and organisational level, (Metcalf and Rees 2005). Areas it can concern itself with include, the ways in which national governments and multi-national organisations develop and nurture international managers and how they each develop their own global HRD systems. Any study carried out into IHRD must take into account the variety and forms of different national business systems, including state intervention and regulation, educational systems, the differential impact of globalisation upon organisations within different geographical regions and the role of multinational corporations in developing global HRD practices.

There is such research taking place in a number of countries throughout the world and some progress in understanding IHRD. McGuire et al. (2002) have drawn attention to the culturally bounded nature of HRD literature and practice. Similarly, McLean (2004) and Cho and McLean (2004) have proposed separating out national HRD practices in relation to whether a country is a developed, developing or transitional society and also

the extent to which HRD policy is centralised or decentralised. However there is no clear definition of IHRD, and according to Wang & McLean (2007) a major dilemma in finding one, is that, HRD is a developed discipline in only a limited number of countries, though this situation is changing rapidly. HRD is most widely established as an academic field in the U.S. and European countries however, all countries across the world have HRD activities or practices, although they may not be fully developed as a discipline. There is also the problem that HRD evolved differently in different nations. Further, as Hansen and Brooks (1994) found, HRD practitioners from different nations use culturally based perceptions and attitudes to define their work and its effectiveness that often varies from U.S.-based HRD definitions. As cultural and social contexts vary leading to varied HRD practices, HRD as a discipline needs to develop a globally accepted definition for IHRD to accommodate the extensive amount of cross-national HRD work that is being done by transnational corporations, transnational non-government organisations, and transnational political entities. Thus, although individual companies working in one nation are free to develop their own understanding of HRD, and although nations work at developing an understanding of national HRD, it becomes critical for organisations that work across nations to define IHRD to accommodate common themes that relate to cross-national or transnational HRD activities.

4.2.2. National HRD

If the United States was indeed behind most of the rest of the world in acknowledging the value of NHRD, as Wang and Swanson (2008) suggest, how and why could it still be so advanced as a recognized world economic power. The main reasons are that the U.S. has a well-defined national HRD policy and implementation system and a supportive legislative system. The country's government has invested heavily in workforce development in various areas. They implemented the Manpower Development and Training Act during the 1960s, the Comprehensive Employment and Training Act during the 1970s, and the Job Training Partnership Act during the 1980s (Mabey & Finch-Lees 2008).

Another way for a country to improve its human capital would be to a 'national' policy of skills development and is normally devised by governmental administration departments. This according to Metcalfe & Rees (2005) is national HRD. HRD initiatives can be regionally oriented within a nation state or incorporate partnerships with other governments. The key point is that, "...it is the national government that has

responsibility for HRD strategy implementation” (ILO, 2003, p. 100). In some developing and transitional economies government administrative agencies have drawn on international codes for learning and training prepared by bodies such as the ILO and OECD, which help form a blueprint of how nations, societies and communities can devise HRD policies and systems to support lifelong learning and employability (Kuruvilla et al., 2002; Ashton et al., 2002).

In some Middle Eastern countries national human resource development programmes have been established as part of their responses to globalisation processes (UNDP, 2003). Some countries have codified HRD frameworks in national legislation, such as the Malaysia HRD Act (1992) and South Africa Skills Development Act (1998). These frameworks provide for the establishment of institutions to integrate HRD efforts and the nurturing of a common culture of learning and training between all stakeholders, governments, social partners, enterprises, individuals and civil society. According to Lee (2007) there is a pool of knowledge being built about the nature and practice of national HRD and HRD in different cultures however, the field of HRD remains largely limited to Western conceptualisations concentrating mainly on training, development, and performance in large profit-driven enterprises.

4.2.3. Converging HRD

A part of that knowledge was supplied by Sparrow and Hiltrop who found in 1994 that a higher level of foreign direct investment and the impact of mergers and acquisitions entail a need for longer-term training plans and often result in an increased training load as new strategic and business plans have to be communicated and new teams built. Significant changes in employment patterns at the time emphasised the need for employee and work practice flexibility, and also for cross functional training and enhanced management skills. Sparrow & Hiltrop (1994) went on to point out that HRD in international businesses, and in those entering or operating in international markets, is concerned less exclusively with management training and development, more with a broad based coverage that is increasingly prioritised around the areas of people management, the accommodation of new technology, and the management of change (Sparrow and Hiltrop 1994). There has been for some time a debate within the international academic community over whether the most useful methods for managing employees should derive from international or national examples of best practice.

However, the specific terms of the debate and the relative popularity of different positions have changed over time.

On the convergence side, arguments resting on more positivist foundations have pointed out that the need to improve efficiency requires the adoption of universal practices (Blau & Schoenherr, 1971; Child, 1973). However critics of convergence argue that there are important constraints to the existence of uniform or best practices across national boundaries. The principal argument relies on the assumption that institutions, such as systems of training, have evolved over time, and this evolution has been shaped by the specific national patterns of industrialisation and other historical events. Additionally institutions often reflect national developments, and these tend to be mutually interlinked with the characteristics of the local business organisation. Isolated practices that are introduced but are not coherent with the system as a whole will, therefore, often have little impact, limiting effectiveness of simple imitation across national boundaries. According to Geppert et al. (2003) unlike in the past, the convergence thesis relies heavily on what appear to be, important institutional changes as a consequence of the qualitative impact of globalisation in the 1990s. They point out that earlier convergence theory was more related to structural aspects, such as technological and economic change. However more recently the theory stresses that globalisation is also driven by a convergence of business culture and policies. The influence of multinational corporations (MNCs) on the practices of national firms is particular emphasised. Whittington & Mayer (2000) argue that MNCs inevitably follow the Anglo-Saxon model of capitalism and tend to influence local firms through what Mueller (1994 p.100) described as “organizational effects.” Thus, the search for best practices through benchmarking, global strategies, and learning through imitation has an impact on local organisational processes and structures.

The question raised by Tregaskis et al. (2001, p. 35) is whether “MNCs, in developing and implementing their range of HR policies and practices (including HRD), are free to impose policies and practices in each country, or whether they must accommodate or conform to local or national norms, and so adjust their policies and practices accordingly. Tregaskis et al. (2001) pointed out that over the years some researchs have sought to describe and explain the construction of organisations from an institutional theory perspective that conceived of organisations as socially embedded in their

external environment and affected by external forces that require them to adapt their structures and behaviour to deal with these forces.

Barley & Tolbert (1997) describe the central tenet of institutional theory as emphasising contextual and cultural influences on decision making and structural formation in organisations. Greenwood & Hinings (1996) point out that institutional theory emphasises convergence around institutionally embedded tenets, and is used to explain the similarity and stability of organisational arrangements in a given population. Research carried out by, Meyer & Rowan (1977), Meyer and Scott (1983), DiMaggio (1988) and DiMaggio and Powell (1983, 1991) demonstrates the multiplicity and great diversity of institutional sources and belief systems found in modern societies. It is argued that source and belief systems have a considerable influence on the way organisations are structured and managed within their cultural context. The work of DiMaggio and Powell (1991) emphasised the ways in which institutional practices are brought into organisations. Organisations in the same field “develop isomorphic tendencies as they exchange employees in professional jobs, and face common exigencies such as governmental policies, regulatory constraints, education systems, changing consumer tastes and so forth” DiMaggio and Powell (1991 p. 150).

4.3. What is meant by Management Development?

In this century the question which remains to be answered according to Ramirez (2004, p. 428) concerns

“...whether or not national context plays a significant role in determining management training and development practices with the growing influence of multinational corporations and the opening of world markets”

Management development has been described as having three main components: management education, management training, and on-the-job experiences, Management education can be defined as “the acquisition of a broad range of conceptual knowledge and skills in formal classroom situations in degree-granting institutions”, De Simone et al. (2002 p. 514). The formal classroom situations to which the definition refers include a wide range of activities, with the classroom setting increasingly being used to bring together and process the results of outside activities to draw conclusions about what has been learned. Management training focuses more on the provision of more specific

skills or knowledge that can then be applied within an organisation. On-the-job experiences can be planned or unplanned opportunities for managers to gain self-knowledge, enhance existing skills and abilities, or obtain new skills or information within the context of day-to-day activities.

Kitching (2007 p. 43) points out,

“...employee learning at the workplace results from participation in the authentic goal-directed activities of particular communities of practice with the aim of developing expertise to solve routine and non-routine problems”.

Traditionally much of the activity directed towards learning in the organisations relied to a considerable extent on off-the-job methods, typically those such as training courses, seminars and educational programmes, Clarke (2004). More recently, however there has been an increasing focus on work-based learning or what is often referred to as informal methods of learning, due to, “... many of the limitations associated with formalised approaches”, Clarke (2004 p. 142). Critics point out that off-the-job learning can often be removed from the realities of the workplace, and as such suffer in terms of transferring learning to use on the job, and may often be seen as lacking relevance to learners’ needs (Davies & Easterby-Smith, 1984; Bryans & Smith, 2000; Raelin, 2000). Informal learning refers to that learning which occurs on-the-job, and includes mechanisms such as mentoring, coaching, job rotation, job-shadowing and special projects or assignments (Marsick and Watkins, 1997). For the purpose of this thesis two definitions relating to the personal, and organisational level respectively, will be used as follows:

At the personal level, the research interprets MD as:

“A learning process (including both formal and informal development programmes) by which managers gain the skills, abilities and knowledge to manage themselves and others and to perform effectively in managerial roles”.

At the organisational level, the research interprets MD as:

“A learning process that is planned, unplanned and deliberate, that helps managers in an organization to learn, grow, and improve and develop their experience, skills, abilities, ideas, knowledge, culture,

personal identity and relationships, so through this process they can contribute to the effective development for the achievement of organisational goals and strategies”.

According to Woodall & Winstanley (1998 p. 9) “the boundaries between management education, training and development are quite fluid, and management education is now more often than not, linked to management development, also management training is no longer seen as the lower-status end of the educational system where practice is taught rather than theory. Instead, it is seen as “one string in the bow of management development which can be taught alongside management education” Woodall and Winstanley (1998). Management development in a sense bridges and acts as a nexus between organisational development which emphasise the needs of an organisation to grow and change, and self-development focuses on ways in which an individual can help themselves to grow and change in ways which are of benefit to their own career aspirations (Woodall & Winstanley 1998). The main area of this part of the literature review is management development because of its place at the crossroads of organisational development and self-development, and its links with management education and training.

4.3.1. The Purpose, Processes and Value of MD

MD can have a number of different meanings and different conceptions and focus on individual managers (Harrison 1997). This focus on the individual manager implies a primary concern with individual learning and development, and a purpose for MD being associated with improving individual ability and performance. In contrast to this, management development implies a primary concern with collective learning and development, and a purpose for MD associated with producing shared values and consistency in management style and approach. The focus in this conception of MD is then on the organisation as an entity rather than the individual manager. Each of these suggests varying specific purposes, additionally the broader purpose of MD programmes can also be said to vary, and there are again two broad possibilities.

The first is primarily concerned with changing behaviour, either of individual managers or of the organisation as a whole, as a means of maintaining or improving performance. The second is primarily concerned with ensuring availability of skills and experience to meet future demands. This purpose can be applied to individual managers in the sense

of preparing them for future promotion opportunities, or to the organisation as an entity in the sense of ensuring a supply of managerial ability to fill senior management positions as they become vacant.

In both cases, the purpose represents an attempt to manage internal labour markets through interventions in career progression. The conventional view, set out, for example, by both Woodall and Winstanley (1998) and Storey et al. (1997), is that the purpose of MD is always and simply to improve organisational performance and success. However MD has been increasingly adopted as a strategic tool for achieving desired organisational outcomes and effective individual performance (Luoma, 2005; Winterton & Winterton, 1997), as well as a driver and facilitator of organisational change, adaptation, and renewal (Beddowes, 1994; McClelland, 1994; Storey, 1989), even so the MD concept remains ambiguous and under debate. This is evidenced by the coexistence of multiple and even conflicting definitions, underpinning assumptions, and interpretations in the literature.

Traditionally, MD was defined as, "... a formal, planned, and conscious effort in developing management competencies to attain the organization's competitive advantage or secure its positioning in the future, Wang & Wang (2006 p. 181). But more recent definitions promote a more holistic view and emphasise MD as a generic, continuous, ever-changing process, involving both formal and informal, planned and unplanned education and training (Garavan et al., 1999; Lees, 1992). There are three main themes that Wang & Wang (2006) identify these include, viewing MD as a process aiming to improve the performance of individuals and organisations; identifying the fact that successful MD initiatives require support from all relevant parties at all levels and understanding that MD is an open dynamic system grounded in the complex social, political, cultural, and institutional contexts and, therefore, subject to multiple contextual variables.

Burgoyne & Jackson (1997) suggested a more pluralist understanding of MD is required to appreciate political dynamics and the cultural and symbolic context in which it occurs. Mabey & Finch-Lees (2008 p. 194) point out an additional purpose of MD, in collectivistic cultures is that is used as a tool "...to motivate employees and reward loyalty and commitment", in fatalistic cultures however managers assume that employees, by nature, have limited capacity that cannot be improved. In cultures where

there is a heavy emphasis on performance excellence and quality, there is a large budgetary allocation to and widespread application of training and development activities. In performance-oriented cultural contexts, training and development are primarily geared towards improving individual or team performance (Aycan, 2005). In the UK according to Burgoyne et al. (2004 p. 14) the national Management Standards are now maintained by the Management Standards Centre, part of the Chartered Institute of Management. The current Standards define the purpose of management as “to achieve the organisation’s objectives and continuously improve its performance.” This concern to attribute organisational benefits to effective management or management development is understandable, because as Mabey & Finch-Lees (2008 p. 75) point out, “Such activities are expensive, time-consuming and often high-profile”. Therefore there is a need to demonstrate that such investments are worthwhile, however this analysis of MD from a functionalist stance is not without its problems and critics.

There have been some doubts about the capability of HR departments to translate business priorities into appropriate HRD goals Huselid et al. (1997) and of achieving timely fit in a turbulent environment Wright & Snell (1998). Others have argued that by placing a focus on inputs and outcomes diverts attention from the important management development processes which include unanticipated outcomes and informal, more covert episodes of learning (Woodall & Winstanley 1998). Three trends appear regarding MD according to Wang & Wang (2006) these include first of all, the tendency even despite the difficulty in finding a causal link between MD and organisational performance (Easterby-Smith, 1994), to increase investment in MD (Beddowes, 1994; Vicere, 1998) as a response to new competitive challenges facing organisations (Luoma, 2005). Secondly, the development of organisations through MD is now seen as only being possible by recognising MD as a driver of change rather than a supportive function in the change process as traditionally perceived (Gavaran et al., 1999). Finally, MD is now being reframed within a more holistic perspective. This will not only challenge fundamental assumptions on which existing conceptions of MD are premised but also lead to the formulation of a broader set of MD policies and strategies that are more strategically aligned with organisational goals and outcomes.

4.3.2. MD, Organisational Strategy and Policy

As major environmental shifts are now demanding a more strategic perspective from those who manage and lead organisations, many organisations are now ‘globalizing’ in

their quest for markets that will bring them new opportunities for growth and prosperity. Advances in technology, especially in the field of information and telecommunications, are leading to greater efficiencies, reduced costs and opportunities to launch new products and services. Such changes set new challenges for managers and employees alike, with managers being expected to respond as strategic leaders and perform the role of change agent (Salaman, 1995; Rosenfeld & Wilson, 1999). Their task is to establish a clear mission, linked to a set of strategic business goals that enable organisations to acquire, control and allocate resources to maximise the opportunities available and to minimise any threats to their survival and success. In the bid to equip managers with the knowledge and skills to do this, MD has become a strategic imperative within many organisations (Woodall & Winstanley, 1998; Thomson et al, 2001) because gaining strategic significance ensures the right mix of management competencies to enable the organisation to maintain or shift its competitive position in the future (Buckley & Kemp 1989).

Storey (1989 p. 12) points out that, "... increasingly, the goals and objectives of MD are becoming indistinguishable from the need for organizations to respond effectively to pressures and challenges of change and renewal". In this sense, MD has become a 'tool' in the pursuit of quality, cost reduction and profitability through excellence, by equipping managers for new roles and responsibilities and supporting them in those roles. At the organisational level, there are examples to demonstrate how MD is being used in an effort to facilitate and 'engineer' different forms of culture change in both the public and the private sector, often with mixed outcomes (Hopfl & Dawes, 1995; Simpson & Lyddon, 1995; Currie, 1999). Although the key strategic imperative is to use MD as a way of developing individuals and engineering change, there is a concern that a reliance on traditional, conventional approaches may be failing to deliver the anticipated outcomes (Currie 1999). The impression gained is that MD might somehow be 'failing' to deliver strategic and operational objectives, this view is not a new one (Doyle, 2001).

Attention is now turning to the significance of managing development as well as conducting development in unique organisational contexts. In practice, this means addressing the wider structural, political, social, and cultural barriers that 'interfere' with the organisation's objectives of changing managerial attitudes and behaviours and improving organisational performance (McClelland, 1994; Molander & Winterton,

1994). However, there are also concerns that the formalised and highly structured approaches currently adopted may not be able to cope with the growing complexity and diversity that is becoming a characteristic of modern organisations (Woodall & Winstanley, 1998). What is required is a more contingent, holistic and systemic approach that links management development more firmly to a wider consideration of contextual influences and the unique context in which organisations are embedded (Doyle, 1995; 2000a, 2000b). In order to do this, what is needed is an MD policy.

Designing management development is often a highly systematic approach which often leads to blocks of training and development for managers (and potential managers) and helps them acquire sets of functional skills (Harrison 2002) organisational life is not entirely rational, ordered or predictable. Simply learning how to perform specific functional tasks is not enough to be effective in management roles because as managers, they have to operate in an environment of complex social and political structures, continuously adapt themselves to changing internal and external pressures along with operating across many internal and external boundaries (Harrison 2002). Consequently MD programmes should be designed in a way that ensure that managers have the adaptability and flexibility of skills and disposition to move through often rapidly-changing managerial roles in order to stimulate a holistic and integrative approach to management tasks. Some managers do not accept that they themselves need to change their attitudes towards MD, which means that they are unlikely to be able to function effectively in a changing world, effectively meaning that MD that does not focus on attitudes will simply perpetuate old practices into new learning (Mabey & Salaman 1995) ultimately negating any new learning in the organisation.

When it fails to produce the anticipated results or exacerbates an existing problem, MD is being undermined and discredited (Roberts & McDonald, 1995; Currie, 1999). It is therefore vital that organisations view MD as a long-term investment as a key part of their human resource, and select an approach that is suited to their specific needs. An MD policy is a working document that can be referred to when an organisation needs guidance on achieving objectives or goals. It is vital that when drafting a policy there is full consultation and involvement with all managers to achieve ownership and commitment to the subsequent development process. Margerison (1991 p.1) points out that "...management development will fail if there is no clear policy". Managers may not agree with its contents, and like many HR policy statements, it may represent an

espoused view rather than actual practice. Nevertheless, as found by Thomson et al. (2001 p. 111), "...organisations which had formal MD policies were likely to provide more management development than those without, since the existence of a policy allows for MD to be accorded priority, for resources to be devoted to it, and for someone to take responsibility for it". Mabey, (2003), building on these findings, showed that policy contributed to a positive human resource context that took both formal and informal MD seriously. Some organisations will have set and sustained an objective that all top management appointments should be filled by people developed by the organisation itself. Others will have set some target figure for recruitment from outside, or will set different targets for different jobs (Mumford & Gold 2004).

4.3.3. Implementing MD and Selecting Managers for Development

The way an organisation chooses to interpret and respond to competitive pressures and the performance gaps they expose will naturally play a key role in determining management development priorities and policies (Pettigrew et al. 1988). Purcell (1995), however, argues that an organisation's business strategy is best geared to its current capability given the state of flux in the internal environment. Either way, it has been consistently theorised that the means by which a firm develops its managers in the long-term and addresses skills gaps in the short term are key determinants of its market performance (Butler et al., 1991; Schuler & Jackson, 1987; Tichy et al., 1985).

According to Mabey (2002 p. 1142) the central elements of this typically include

"priority given to manager development at a strategic level; senior endorsement via a written management development policy; systematic mechanisms for accurately diagnosing group/individual training needs; evaluation processes to ensure training remains high quality and business-focused; and serious attention given to the implementation of training activities".

This interplay of competing and contested views, together with the influence of external environmental forces, will shape the pathway of training strategies and implementation in a given organisation (Thomson et al. 2001) but it is not surprising that investment in management training does not automatically translate into improved performance. The reasons for this might include

"...a poor matching of training provision to managers' requirements; a failure to understand the situational factors that shape behaviour; mixed motives on the

part of senior management for investing in management development; collusion between what the organisation thinks it wants in the way of management development and what external/internal providers actually deliver”

Thomson et al. (2001 p.100)

Additionally there may be resistance from existing authority structures; and difficulty in developing appropriate levels of trust, mutual support and collaboration all of which are essential for effective learning to take place (Thomson et al. 2001).

The reality of management is that it is very often relatively disorganised, subject to short bursts of activity, not subject to neat discrete boxes of content or attention, not highly responsive to organised planning, and using a variety of half conscious network processes to get things done (Mumford 1987). Therefore to be effective MD needs to take these realities aboard not only in terms of the content of the managerial activities which it is trying to get managers to do more effectively, but in terms of the nature of the processes which development encompasses (Gold et al.2010) .To rely on the design and implementation of neat formal structures of management development, which are then supposed to operate in a quite different form of managerial world, must now be seen as both unintelligent and irresponsible (Mumford 1987).

There are many writers who have noted that different management tasks are inherent in different organisation strategies (Kotter 1982; Tichy et al., 1982; Gupta, 1984). More specifically, it is suggested that the required managerial knowledge and competencies, and indeed the personality traits, particularly of top managers, differ according to the competitive stance and developmental status of the organisation in strategic terms. Galbraith & Kazanjian (1986) argue that the effectiveness of an organisation’s strategy implementation is based, at least in part, upon attaining a good match between the skills, attitudes and behaviours of managers and the competitive settings they face. The strategic importance of MD lies in its ability as a function to establish and maintain this match. Woodall (2005 p. 274) relates that

“...much of existing theory fails to guide the implementation of HR best practices because it does not recognize how introduced practices interact with existing practices in the firm”.

There are two main approaches offered in relation to the implementation of best practice: 'replication' and 'recreation'. The former implies a mechanistic process of organisational change towards a fixed, externally given endpoint, while the latter opens up the possibility for emerging local practices and outcomes. The most dominant perspective in current literature is 'replication', but there is an argument that undesired consequences are less likely when implementation is guided by the assumptions underlying the 'recreation' perspective (Woodall 2005).

Perhaps the most significant change in MD over the last twenty years has been the recognition that it is most effective, "when it matches the strategy or mission of an organisation, and indeed is developed and implemented in order to facilitate the implementation and success of that strategy", Mumford & Gold (2004 p. 12). The idea that an organisation ought to establish a clear statement of where it wants to get to and how it needs to get there is still fundamental to good management. Despite the logical appeal of creating and harnessing individual skills and competency around business strategies, this can be problematic for a number of reasons, (Mabey & Finch-Lees 2008). Namely the initial clearly articulated intent of the MD strategy can take sometime to come to fruition and by then the original strategy may have shifted in focus and some of the design features may have become outmoded. However even though, "the evolution of corporate strategy; and by implication management development strategy is likely to be messy and overtaken by unpredictable events", Mabey & Finch-Lees (2008 p. 159). The simple act of having designed and implemented a strategy, gives those responsible for deriving such strategies, "some sense of control and direction in the midst of chaotic and unpredictable reality" Pattison (1997 p. 30-31). Unfortunately in some situations where organisational objectives have been stated, these may bear little resemblance to the actual intentions and values of those initiating and sponsoring the development (Lees 1992). Mabey & Finch-Lees (2008 p. 159) conclude that, "it seems that linking corporate and management development strategy is an unfulfilled aspiration for most organizations". This pragmatic view is by no means new as twenty years ago, Woodall & Winstanley (1998 p. 23) held the view that, "the implementation of a common management development strategy or achievement of coherence among different business unit policies may be difficult". Furthermore they pointed out their belief that, "the modern multidivisional organization may well be creating obstacles to the very goal it is seeking to achieve: focused management development" Woodall & Winstanley (1998 p. 23).

More recently it has been argued that when companies do manage to create a strategic role for management development, the performance benefits can be impressive, (Mabey & Gooderham 2005). Furthermore because of globalisation, there is now, a simultaneous pursuit of global coordination and multinational responsiveness which creates a natural learning agenda for many organisations (Mabey & Finch-Lees 2008). This agenda involves the, “the sharing of information and the joint implementation of strategy through an integrated network where resources, products, information and people flow freely between units. According to Mabey & Finch-Lees (2008 p. 163),

“...from a practitioner perspective, multinational corporations (MNCs) undoubtedly play a major role in the dissemination of HR practices, with parent companies often using management development as ‘corporate glue’”.

Branine (1996) dissemination and any attempt to implement management policies and practices produced in Western capitalist societies in other countries are likely to end in failure. For example in the 1990’s even though foreign experts and specialists in different fields were invited to work in China they were only expected to bring new knowledge, new technology and new skills not new policies or their own culture. The Chinese authorities imposed restrictions on foreign experts and created obstacles to the implementation of Western management development programmes in China, (Branine 1996). It was felt important for Western visitors to try to understand the conditions in which the Chinese managers are expected to manage before telling them how to manage their enterprises properly. This indicates that “The potential influence of multinational parent companies over host country management practices is likely to be powerful”, Mabey & Finch-Lees (2008 p. 185), especially in the area of management development because this is typically seen as a way of exerting control and/or inculcating cultural expectations (Kamoche, 2000) and building internationally skilled, high-potential managers who have been identified as vital to the company’s future and survival (Scullion and Starkey, 2000).

Additionally, there is evidence which has established a tendency on the part of some of the subsidiaries, of MNC’s, to adopt parent or ‘best—practice’ norms particularly in more macro-HRD practices like training needs analysis, management development delivery and evaluation procedures, while allowing their subsidiaries considerably greater autonomy in the local implementation of training (Noble, 1997;Tregaskis,

2001). Furthermore US-based MNCs have been seen to diverge from their host country counterparts when they attempt to apply their parent company HRM practices to their subsidiaries in Western Europe (Gooderham et al. 2004). Finally, it is well known that the economies of scale associated with MNCs permit access to a richer vein of resources for management development than is possible for many indigenous companies.

Success in managerial work depends on the possession of a range of social skills and innate personal qualities attention therefore needs to be paid to selection in order to guarantee the appropriate managerial pool (Sisson and Storey, 1993). This cadre of top managers act as powerful role models within organisations; attitudes and behaviour throughout an organisation are shaped by the way they are perceived to prioritise matters and the manner in which things catch their attention (Lorbiecki 1993) and these attitudes and values of leaders are crucial factors in determining organisational success. There is therefore a need to examine recruitment and selection policies as they have a critical bearing on MD strategies and the creation of this cadre of managers. In the search for trained managers by subsidiaries of MNC's it is often quicker and cheaper for them to import specialised managers from other parts of their organisations. However there are dangers inherent in this practice, according to Lorbiecki (1993 p. 8) namely that "organisational success is put at risk by the implantation of foreign managers who may be unable to operate effectively in a strange cultural environment; and additionally as a result of this practice nothing is done to redress the national shortage of managerial talent". In a country with a national scarcity of experienced managers, action must be taken locally, by governments and national management development institutions, to address the problem and select managers appropriately.

In performance-oriented cultures training needs are determined on the basis of performance outcomes, (Mabey & Finch-Lees 2008), while job performance plays no part in decisions made on who will participate in training in low performance-oriented and high power—distance contexts. In these cultures it is those employees who maintain good relations with higher management who are selected for training programmes as a reward for their loyalty (Sinha, 1997). In collectivist cultures there is in-group favouritism based on kinship or tribal ties Wilkins (2001) and in high power—distance cultures, training needs of the work group are determined by the paternalistic manager in an authoritarian or consultative way. In low power—distance cultures,

training needs are usually determined jointly by the employee and his/her superior, Aycan (2005).

Hofstede (2001) sought to apply a cultural lens to work related issues including perceptions of management practice, and management practices themselves and how they differ widely between countries. Some writers have argued that there are differences between countries in relation to HR practices such as selection and development (Laurent, 1986), perceptions of career management (Derr & Laurent, 1989), hiring strategies (Segalla et al., 2001a) and terminations (Segalla, et al., 2001b). Also, Budhwar & Sparrow (1998), using their own five aspects of national culture, note the influence of culture on socialisation of managers in British and Indian organizations, and the role of social relationships and political connections on selection, promotion and transfer decisions. Laurent (1986) investigated what qualities managers from different countries considered essential in order for them to get promoted in their particular work context. In France it was being labelled as having high potential, in Germany being seen as having a creative mind was imperative. Respondents in the UK stated that having skills in interpersonal communications was the key, while in the US having drive and ability were the prerequisites of being selected (Klarsfield & Mabey (2004). In discussing management development for Polish managers Lorbiecki (1993 p 12), raise two important questions.

“First, how do we offer models of management learning which challenge didactic modes of operating, when a society’s cultural norms expects a management developer to be an expert? Secondly, how do we offer management development to the new market economies when there isn’t even a word for learning, or where career development, if literally translated means self-aggrandisement?”

These examples point sharply towards the need for a deep understanding of the different cultural worlds which managers inhabit, for instance in previously communist Europe according to Woodall, (1994) selection for MD involved the local communist party branch. This committee had control over succession planning, as they constructed lists of incumbents and potential ‘reserves’ for key management jobs. Promotion was based upon ‘connections’ and not assessment of performance or procedural justice (Woodall, 1982). Also, this system left managers little control over the selection of their immediate colleagues, making the concept of team development rather hollow. Central

planning and control put considerable pressures on managers who as well as passing on instructions from the central authority, also had to somehow motivate employees with the crudely constructed performance-related pay system to deliver to plan targets. Additionally local government and communist party interests needed to be placated (Woodall, 1994).

4.3.4. Evaluation of MD

According to Garavan et al. (1999) evaluation is a necessary process to establish whether MD has been effective in meeting individual and organisational priorities, to enable judgements to be made about cost effectiveness, and to aid organisational learning and improvement. However despite the fact that the clarity of organisational objectives in terms of MD has led to an increased emphasis on the evaluation of return on investment, (Beddowes, 1994), systematic evaluation rarely occurs within organisations, (Doyle, 1995). There are a number of approaches to evaluation which range from, "...those that are objective, rigorous and scientific to those that are pragmatic, subjective and interpretative in orientation Garavan et al. (1999 p. 199).

It is advocated that evaluation should adopt a holistic, contextual approach, and integrate internal and external factors so that evaluation is seen to "travel with the organisation" as it learns, adapts and renews itself (Smith. 1993). Such a systematic, holistic perspective on evaluation would place greater emphasis on the extent to which development activity fits with individual needs and the organisational context. Additionally it would gauge how far new behaviours can be applied in the workplace and whether new behaviour corresponds with the espoused organisation culture and values (Mole. 1996). MD is often expected to lead to bottom-line gains and "...such expectations have led to management development generating an industry of its own throughout the world", Mabey & Finch-Lees (2008 p. 6). Global investment in MD activity has increased markedly since it was estimated to be in the region of \$37 billion some years ago (Boyatzis et al., 1996). According to Burgoyne et al. (2004) in a developed country like the UK some 20 million days per year are spent on programmed management training, a figure that could well be doubled if less formal development is taken into consideration. In France there is a legal requirement on employers to allocate 1.5 per cent of total annual payroll to vocational training, although it is the employer who decides how, and on whom, this is spent. However (Osman-Gani and Tan, 2000;

Wang and Wang, 2006) point out that in the transitional economies of emerging nations there is a rapid game of 'catch—up' taking place, as governments and enterprises across all sectors seek to address their management and leadership deficiencies. The investment made on management development in these countries for individual companies ranges from several thousand US dollars up to \$135,000 in Romania and up to \$625,000 in Slovenia (Gudic, 2001).

Because of the level of investment and the number of days devoted to manager training there is a greater interest in discovering if these resources are well spent. The number of training days and the quantity of development budgets are only input measures and now much more importance being placed on the quality and benefits arising from MD, but such evidence about outcomes is difficult to come by, (Mabey & Finch-Lees 2008).

MD policy documents represent statements of intent rather than actual practice Gratton et al. (1999) stated nevertheless, such policy documents tend to suggest a companies considered and systematic, rather than an ad hoc, approach to the way managers are developed. These MD policy documents should refer to systems for determining training needs in the company, clearly identify the processes for managing development and in some way allude to the means for assessing its effectiveness. One of the ways of for assessing management development effectiveness in Europe and more specifically in the UK is by using appraisals, (Holden 1992; Raper et al. 1997). According to findings from Tamkin & Hillage (1999) most MD in UK companies occurred on a demand driven basis only, few companies had a clearly defined development strategy linked to organisational objectives. The most widely used form of evaluation used after training programmes were happy sheets, very few companies even set objectives for their programmes which they could then evaluate against and most significantly, although the majority of those questioned rated training evaluation as very important, only a quarter were satisfied with the methods being used to evaluate training.

For all the texts and manuals explaining how to carry out evaluation of training and development, it seems most organizations admit that investment in MD is still largely an act of faith, (Mabey & Finch-Lees 2008). These writers raise the question of why there is so little in the way of serious attempts to evaluate management development? They point out that from a purely functionalist perspective technical difficulties involved at various stages of the evaluation process would seem to provide the answer.

In support of this case (Mabey & Finch-Lees 2008) conclude that even an imperfect evaluation is better than no evaluation at all. Another case put forward for the scarcity of evaluation of HRD initiatives, by Winterton & Winterton (2002) is the difficulty of attributing causality, they feel that:

“not only is it difficult to identify operational results that are amenable to improvement through training and development, causality is difficult to establish because often, no single factor, including training, could by itself have brought about the change that has taken place”.

Winterton & Winterton (2002 p. 148-149)

Because of these practical difficulties in measuring the effects of developing people, reported benefits are often anecdotal and confined to a single aspect of performance, Winterton & Winterton (2002).

Among MD policies that are receiving particular attention is the way in which these documents are written and formalised (Garavan, 1991) this is because such statements suggest a thoughtful rather than an ad hoc approach to developing managers. Of equal interest however is the effort expended in the diagnosis and evaluation of such activities. European countries it would seem according to the results of survey conducted by Larsen (1994) have very diverse approaches to training needs assessment with a heavy reliance on informal mechanisms. Additionally most companies in all countries surveyed indicated that the monitoring of the effectiveness of training is usually via informal feedback. There is a lack of evidence to support the case that UK companies systematically review the business benefits deriving from MD activities (Department for Education and Employment [DfEE], 1998). In the US even though there have been developments in techniques to measure business benefits deriving from MD activities, such as return on investment from training (Noe, 1999) attempts to quantify the outcomes of training appear to be confined to a few leading exemplars. There can be little doubt that any model of MD needs to, in some way, measure the extent of training and development activity and its performance impact, (Mabey 2004). Perhaps the most convenient is to measure the annual number of training days (Huselid, 1995; Koch & McGrath, 1996). This measure, however, is a blunt indicator and needs to be supplemented with more qualitative measures of the type of development undertaken, both formal and informal. The review of the literature concerning the measures available to companies setting out their MD policy document points towards,

“...the growing use of and efficacy of what might be termed ‘best-practices’, including: care given to the diagnosis and design of training, career development opportunities and the subsequent evaluation of MD activity”

Mabey and Ramirez (2005 p. 1071)

4.3.5. Rationales, Theories, Approaches, Models and Typologies of MD

Management development as an activity is usually presented as desirable to both individuals and organisations, and rarely are the implicit assumptions that support it given significant attention (Hopfl and Dawes, 1995). Managers are generally regarded as a critical resource that hold the key to unlocking the potential in all other factors of production, and this sentiment is echoed in a number of national and international reports, Garavan et al. (1999). Many reports in the past have been critical of deficiencies in the process of MD within organisations and even linked the decline in competitiveness of American industry to the effects of the classical paradigm of business education and its influence on the attitudes and practices of US business school graduates.

There has also been concern expressed regarding the reliance placed on traditional conventional approaches to MD, particularly when faced with structural, political and cultural barriers that may have failed to deliver the anticipated outcomes. Mumford (1993 p. 100) comments that “any MD process which places emphasis on discrete activities, organised thinking processes, neatness and freedom of choice, is likely to be out of synchronisation with the reality of managing that managers today engage in”. Lees (1992) offers, and critiques, a set of ten rationales for management development, the functional performance rationale is by far the most popular rationale for management development; to directly improve managerial functioning and thereby corporate performance, in fact for many it is the only rationale. At the individual manager level, the intention may be pro-active by imparting new knowledge, skills or attitudes, or it may be remedial by trying to eliminate identified weaknesses. At the group level it may seek technical or social change in particular functions or at different levels, or even large scale change across the entire organisation, thus creating a fusion between management development and organisation development. And at the national level, as exhorted by a succession of reports into management education and development, the aim is to create a supply of sufficiently trained and developed managers to improve corporate competitiveness and aid national economic recovery.

According to Garavan et al. (1999) however MD can also be driven by rationales which reflect social, political, emotional, legitimacy, psychic or symbolic concerns. There is little exploration of these rationales in the literature even though, “such rationales are far from insignificant in that their role in making managers feel whole, rather than simply corporate functionaries with enhanced competencies, is considerable”. Management development theory is part of a wider family of theories each contributing building-blocks which help to explain key dimensions of the way managers are typically developed in organisations. Ultimately these relate to the basic social science disciplines of economics, psychology and sociology. In the economic domain human capital theory provides a rationale for development while labour market theory focuses on the way in which managers as employees provide a resource for organizations. In terms of psychology, learning theory draws attention to the cognitive and processual sides of skill formation, while sociology informs organization theory and human resource strategy in dealing with the role of development in an organizational context. Despite this however attempts to build coherent management development theory have been rare, Thomson et al. (2001 p. 33).

“Some organizations offer absolutely nothing in the way of MD - no individual reviews, no plans for individual development, no annual review of succession, no nominations for courses whereas others provide a full range of formal opportunities. Inevitably, many organizations fall in the middle, providing something but not everything, or providing for lower-level managers but not for the most senior “.

Doyle, (2000 p 100)

As managers are required to rapidly set and achieve new productivity, quality and effectiveness standards, develop and implement new strategies, and change and sustain new corporate cultures (Harrison, 2002) for the whole organisation. The MD process is a potentially powerful ‘strategic tool’ for achieving desired organizational outcomes and effective individual performance (Luoma, 2005). One of the major changes in MD, over the last 30 years has been the recognition that it is most effective when it matches the strategy or mission of an organisation, and indeed is developed and implemented in order to facilitate the implementation and success of that strategy. Although there are now doubts about the effectiveness of some of the more mechanical, strategic and business planning processes favoured from the 1970s through to the mid-1990s, the idea

that an organisation ought to establish a clear statement of where it wants to get to and how it will get there is still fundamental to good management. How the strategy is defined and implemented is, of course, a management development issue! In attempting to define the concept of management development, different authors have tried to provide explanations of what it aims to achieve and the process used to secure these objectives. There are a number of approaches to MD Mumford (1997) described three different types of approaches that are broadly representative of current interventions:

The Type One approach is 'informal managerial' or accidental process which is not planned in advance, has no clear development objectives, occurs within manager's activities, unstructured in development terms and owned by managers. Such kind of an approach has no real learning goal with insufficient development consequences.

The Type Two approach is 'integrated managerial' or opportunistic process which occurs within managerial activities with explicit intention where both task performance and development has clear developmental objectives. This form of approach is structured for development, planned beforehand and/or reviewed subsequently as learning experiences are gathered by learners and, owned by managers.

The Type Three approach is where 'formalised development' takes place in a planned fashion, very often away from normal managerial activities with explicit intention of development, clear development objectives, planned beforehand or reviewed subsequently as learning experiences and owned more by developers than managers.

A number of MD programmes implicitly seek to demonstrate a concern for gestalt approaches to management development/self-development, Hopfl & Dawes (1995). However, in practice this may gloss over the conflicts and contradictions which exist at the heart of this relationship by tacitly assuming a commonality between the individual's development and the organisation's needs. There have been say Mumford & Gold (2004 p. 248) an "influence of complexity in a number of recent approaches to management and learning". Watson and Harris (1999) argue that managers needed to take a more process-oriented view of organisations and their own positions as managers. There is now an approach advocating a process of continuous movement which instead of focusing on the idea of fixed things, like teams, the department, the business, or even

the self as manager, states there is a need to see everything as a process where a person performing a management role, managing, is never a fixed entity with permanent features such as static and unchangeable skills and competences. Simultaneously organisations become more difficult to understand as ordered entities, designed for a particular purpose such as profits or serving the public. Organisations are always composed of people who through ongoing interaction carry out meaningful activities which may or may not correspond with the purposes of senior management. Over the last 15 years, there has been a significant shift towards more informal, on-the-job, action learning approaches to management development. According to Mabey and Finch-Lees (2008) there are a number of reasons for this shift, "...including the de-layering of organizations, the withdrawal of centralized HR. career management, cost-cutting, more entrepreneurial styles of management and the advent of more transactional psychological contracts between employer and employee".

Mabey and Finch-Lees (2008) also highlight the need to identify national approaches to MD and point out that the extent of isomorphic tendencies in management practices, arising from the pressures of global integration, will vary in different national contexts. Although practice and priorities differ widely, certain approaches to management development are found to significantly improve organisational performance, irrespective of national setting (Mabey 2004). However while the majority of imported Western models of management development are based on techniques such as group discussion and classroom participation, with an emphasis on reflection and abstract reasoning and a free and open critique and challenge of ideas and assumptions (Doyle 2001). The Chinese models of management development and training are teacher-centred, culturally bound and politically oriented, making it fundamentally different from the learner-centred approach of western countries (Branine 2005). In the opinion of Gagnon (2008) there are two main models of management development emerging, the first is where anxiety and competition are built in, amounting to an aggressive attempt at alignment of participants in order to increase (organisational) security; and the other is based on developmental paternalism, with an edge of stress and pressure to ensure the appropriate performance of employees.

Most organisations have now accepted the fact that it is essential to recognise that MD is more than a tactical or knee-jerk response to a skills gap and are increasingly using it as part of a wider strategy to achieve their longer-term aspirations (Mabey & Finch-

Lees 2008). The most widely proposed method of achieving these aspirations is to embrace best practice and the three main features of this include facilitating strategic change, building learning organisations and creating intercultural competency. This is why HRD managers, with the need to develop their leaders, turn to ‘off—the-shelf solutions’ which are readily available and promoted by best-practice. There is a case for adopting a competency-based approach which is almost synonymous with progressive or best-practice management development. Furthermore 360-degree feedback as best-practice might be attributed to a number of changes in the way organisations operate and is probably of particular relevance where objective outcome criteria are difficult to measure, such as in the development of management and leadership capabilities (Day, 2001). There is a strong desire by many developing countries to import Western (mainly Anglo-Saxon) conceptions and models of management development and utilise them as powerful tools in their quest for social and economic transformation and renewal. It must be noted however that although these models are considered to be in a dominant position efforts to import them by different countries have not been entirely successful. This is true in Europe for instance where MD needs to be conceived and implemented in a way that is distinct from any of the national models that currently exist Lorbiecki (1993). While researching potential identification and development of managers at major European corporations, four types of management development were identified by Evans (2002) see Table 4.2.

Table 4.2: Models for Leadership Identification

	Potential Identification	Potential Development
Anglo-Dutch or the Managed Development Approach	<p><i>Unmanaged functional trial</i></p> <ul style="list-style-type: none"> • Little elite recruitment • Decentralized recruitment for technical or functional jobs • 5-7 years' trial • No corporate monitoring • Problem of internal potential identification via assessments, assessment centres, indicators • Possible complementary recruitment of high potentials 	<p><i>Managed potential development</i></p> <ul style="list-style-type: none"> • Careful Monitoring of high potentials by management review committees • Review to match up performance and potential with short-and long-term job and development requirements • Importance of management development staff
Germanic, or the Functional Approach	<p><i>Apprenticeship</i></p> <ul style="list-style-type: none"> • Annual recruitment from universities and technical schools • 2-year 'apprenticeship' trial <ul style="list-style-type: none"> – job rotation through most functions – intensive training – identification of person's functional potential and talents • Some elitist recruitment, mostly of PhDs 	<p><i>Functional ladders</i></p> <ul style="list-style-type: none"> • Functional careers, relationships and communication • Expertise-based competition • Multifunctional mobility limited to few elitist recruits, or non-existent • Little multifunctional contact below level of division heads and 'Vorstand' (executive committee)
Latin or the Elite Political Approach	<p><i>Elite entry, no trial</i></p> <ul style="list-style-type: none"> • At entry • Elite pool recruitment (non-cohort) • Predictive qualities • From schools specialized in selecting and preparing future top managers <ul style="list-style-type: none"> – 'Grandes écoles' – MBAs – Scientific PhDs 	<p><i>Political tournament</i></p> <ul style="list-style-type: none"> • High fliers • Competition and collaboration with peers • Typically multifunctional • Political process (visible achievement, get sponsors, coalitions, read signals) • If stuck, move out and on • The 'gamesman'

Source: Evans et al. (2002 p. 100)

- The 'Latin' or elite political with a propensity for senior managers to privilege 'political games' over bureaucratic rules when it comes to promoting managers to top positions; an emphasis on hiring high-potentials rather than developing an internal pool of managers with the help of various training and development tools.
- The 'Germanic' or functional model characterized by the internalization of the competency-building process and an internal labour market perspective.
- The 'Anglo-Saxon' MNC model characterized by the market-like nature of managerial job opportunities (typified by the USA and the UK).

- The Japanese or elite cohort model which relies on heavily filtered recruitment of potential managers from the top universities.

4.4. Management Development and Culture

“Viewing MD from an international viewpoint, we find that a growing number of organisations are now seeking to ‘globalise’ their organisations in a search for greater market and product opportunities” (Miroshnik 2002, p. 533). “Factors like the fluidity of global capital, advances in technology and transport, greater co-operation between organisations in different countries and encouragement to inward investment for job creation seemed to have facilitated this trend” (Miroshnik 2002, p. 533) which encouraged organisations to expand into areas previously not considered, and consequently many have become truly multi-national. In this section, the way managers are being developed in different countries throughout the world will be explored. Clearly, it is impossible to separate development approaches from the cultural, social and economic context in which they are located, and this raises a number of issues, not least the problems associated with transferring western models to non-western countries.

4.4.1. Anglo-Saxon MD

In their approach to MD, the USA and the UK are very similar, “... where MD is often being viewed as a separate, discrete and heavily individualized activity, that aims to correct ‘weakness’ in skills and knowledge or ‘deviances’ in individuals, their attitudes and behaviour” (Mumford 1997, p. 206). In effect, “...development approaches are dominated by a powerful rational-functional philosophy which views the main justification for any development programme as being its direct contribution to business strategy and organizational performance” Thomson et al. (2001, p. 300). In other words, the view is that MD must add value to the business and maintain competitiveness in the face of environmental threats (Woodall & Winstanley, 1998; Thomson et al., 2001). Increasingly, the aim is to develop generalist managerial rather than narrow specialist skills to improve mobility and the ability to take on new assignments and challenges – especially in a global environment (Heisler & Benham, 1992).

4.4.2. European MD

In contrast to the Anglo-Saxon model described, many continental European approaches have in the past been concerned with MD as a discrete activity. In Germany, the approach to development is much more functional, with specialist expertise, especially in engineering and science, being closely linked to the vocational system of education built around the concept of 'Technik' and the production of 'Technikers'- technical experts who dominate in management (Randlesome, 2000). As in France, the concept of management is not considered as something to be seen as separate, but more as part of the overall functional system within the organisation. Managers have less mobility than in the USA/UK, tending to stay in their functional role much longer (Woodall & Winstanley, 1998). Additionally, in France, the development of managers is linked more closely to its social and historical context (Doyle, 2004). Rather than management being something that can be explicitly developed in individuals, it is perceived as, "more a state of being" Lawrence (1992, p. 20). Those who become managers form part of a social elite (cadre), and much of their development begins within the higher education institutions (grandes écoles), where the study of natural science and mathematics predominates.

However, "...concerns are now being expressed about the ethnocentrism and insularity that is permeating French business schools (grandes écoles de commerce), creating structural and cultural barriers to a wider system of management education that is adapted to global market situations" Kumar & Usunier (2001, p. 365). In terms of the content of MD activity, there is less perceived need for generalist skills development and generalist business education such as that represented by MBA, which in the past has been, "regarded with great suspicion" Randlesome (2000 p. 640). Discrete management development activity is seen as less salient, and does not flourish to the same extent (Lawrence, 1992), where management development is carried out it is mainly in house (Thomson et al., 2001), for instance, "German managers tend to favour 'structured learning situations with precise objectives, detailed assignments and strict timetables'" Hill (1994).

Despite their relatively weak tradition and the problem of 'cultural insularity' in terms of MD, France, Germany and other European countries are beginning to establish institutions specifically aimed at developing managers. For example, despite past reservations, there has been a growth of MBA activity in both German and France

(Easterby-Smith, 1992; Randlesome, 2000). In major German companies such as Siemens and BMW there is greater awareness of the importance of managerial competencies (Randlesome, 2000) and in France there is belated emergence of the US-style business school (Hill, 1994; Kumar and Usunier, 2001).

Another important influence on MD is the increasing monetary, economic and social convergence and co-operation across the European Union, which has focused attention on the 'Europeanization' of management and, more recently, on how to develop, what might be termed the Euro-managers. This is seen by some as an essential requirement if Europe is to be properly equipped to fend off the competitive challenges posed by the global market (Tijmstra and Casler, 1992). However, some take a more cautious view. Hilb (1992, p. 576) argues that, "... there are major disparities in selection, appraisal and reward systems across Europe, and that MD is neither strategically oriented nor properly evaluated". Additionally, HRD practices in general are too heavily influenced by variations in national labour markets, cultures and legislative frameworks. Kakabadse & Myers (1995, p. 10), studying 959 chief executives in Europe, found "...wide variations in terms of management orientation across a number of criteria that are predicted to have implications for MD".

4.4.3. MD in the Transitional Economies

According to Doyle (2004) the main force driving the development of managers in countries such as Russia, Poland, Hungary, Bulgaria and Romania is the rapid transition from a centrally planned to a market-based economy and more recently to some of them attaining membership of the EU. However, as Vecsenyi (1992, p. 41) observes in relation to development in these countries, "...there is no 'road maps' in respect of MD and it is often conducted in an atmosphere of crisis". The strategy in the past has been to import ready-made Western models to provide know-how and practical skills". In Russia, for example, management education is booming, and demand massively outstrips supply as the country struggles to adapt to major economic, social and political upheavals Gobell et al., (1998). However, in a number of cases Western models have been found wanting as they have failed to adapt to local economic, political and social conditions (Kwiatkowski & Kozminski, 1992). For instance, when faced with the problems of backward technology and hyperinflation, Bulgarian managers said that,

“... what they wanted was emergency solutions to pressing problems, not grandiose views about longer-term strategy”.

Hollingshead and Michailova (2001, p. 424).

Western ‘recipes for success’ may therefore be accused of failing because they do not take into account the context confronting them, they lack strategic credibility, and they have not responded to the variations in learning styles of Eastern European managers (Lee, 1995; Redman et al., 1995; Hollingshead and Michailova, 2001). Taking a pessimistic outlook, therefore, western-oriented business schools may be accused of contributing to rampant capitalism and engendering resentment. But if they can adapt, they may contribute positively to a more sophisticated economic infrastructure, changing social attitudes, and new forms of political decision-making. This view is confirmed by recent research which suggests that,

“... western approaches are more effective if they can be customised to meet needs, for example, in a recent study of management training in Central and Eastern Europe found that when western trainers took the time to understand their needs, Central and Eastern European managers were as receptive as their US counterparts to open discussion and debate”.

Gobell et al. (1998, p. 67).

4.4.4. MD in the East

In China with its massive shortage of managers, management training has become a national imperative as the country opens itself up to global markets and Western capitalism: “...there is a pressing need for a class of professional managers in China capable of facing the challenges of a market economy” Chak-Ming Wo & Pounder (2000, p. 61). However, as with other countries, China has experienced the problems of discrepancies between the models of Western MD and Chinese culture and society. For example, many imported Western models of MD are based on techniques such as group discussion and classroom participation, with an emphasis on reflection and abstract reasoning and a free and open critique and challenging of ideas and assumptions (Chak-Ming WO & Pounder, 2000).

Such techniques are often in conflict with Chinese culture where there is a strong emphasis on collective ideals, conformity, social status, the need to preserve ‘face’ and

self-esteem, an unchallenged acceptance of the 'expert' and associative rather than abstract reasoning. All of these cultural factors, it is argued, tend to militate against the adoption of Western models (Bu & Mitchell, 1992; Cumber et al., 1994). In the past, this had led to, "...a preference for more didactic development methods such as formal management courses, and experiential methods were almost unheard of", Kirkbride and Tang (1992). But more recently there are signs that Chinese managers are becoming more receptive to Western approaches as their own approaches to management education prove too basic and focused on technical skills rather than the softer skills required to manage in complex global enterprises (Chak-Ming Wo & Pounder, 2000).

4.4.5. MD in Africa

Over the whole of Africa, there are considerable variations in approaches to MD reflecting the different stages of economic, social, cultural and political development across different regions. South Africa, for example, has undergone massive social and political change in recent years, and the key issue confronting the country now is how to use MD as a tool to overcome major societal issues such as the disadvantaged black majority and the well-educated white minority (Temple et al., 1992).

There is, therefore, an argument to 'South Africanize' development through a more integrative approach that unifies the country by providing and sharing opportunities. Although some progress has been made towards this; for instance, the introduction of a strategy of educating black managers, coaching them and then allowing them to practise their management skills in the workplace (Doyle, 1994, 2000a), problems do emerge when existing organisational structures and culture deny black managers to practise their newly-acquired skills in the workplace.

This has led to arguments for, "... a policy of 'aggressive affirmative' action in which the percentage of black managers more closely reflects the population mix" McFarlin et al. (1999). Since the main emphasis of MD is on the introduction of collective, participative approaches; teaching managers how to build trust, bonding and solidarity with employees and each other, while at the same time seeking to mesh with the imperatives of Western materialism (Doyle, 2004), such approaches have worked well in organisations like South African Airways where policies of customer care are mixed with managers and employees development (Doyle, 1994, 2000a).

4.4.6. MD and Islam

Although there is a grave need for management development to be developed to a level where it can make a significant contribution to management education in Egypt the progress is slow and intermittent, (Leat and El-Kot, 2007). Egypt is one of the Muslim countries where autocratic style of management prevails in organisations; "... managers are reluctant to make decisions on their own because they are motivated by power, status, seniority in organisation rather than by performance; and where formal authority and chain of command prevails" Bussom et al. (1984). As a result, the country is trying to implement management development by importing and transplanting western methods within their organisational setups and in a country that has totally different values, cultures, systems and societal environment.

4.4.7. MD in the Middle -East

There is either very little or no recent research material on MD management in the Middle-East. Whatever material currently exists is fragmented, mainly concentrated on public sector studies and attracted no support by senior management Al-Faleh (1987). His study finds that 55 % of the respondents expressed their dissatisfaction with policies used by their employing organisations with management development interventions mainly influenced by the local culture, nepotism and favouritism rather than merit when it came to promoting employees. He suggests therefore that without the full support and backing of the government, MD cannot flourish successfully. There are a number of Arab countries who are part of the Gulf Cooperation Council. Being homogeneous in their culture, religion and language, this council mainly comprises of oil producing countries of UAE, Bahrain, Qatar, Oman, Kuwait and Saudi Arabia. In a study by (Muna and Bank (1993) of approximately 180 managers, it was found that despite of organisations in these countries spending lavishly on training their managers (approximately three times as much as British managers), no effective training and development outcomes had resulted; and secondly that, line managers were the main source for putting training events within organisations.

Kuwait is one of the countries in the GCC that faces an acute shortage of qualified human resources in both, general administration and management areas (Al-Ali & Taylor 1997). Kuwait has two types of organisations: business organisations that are owned by the Kuwaiti government; and Kuwaiti government ministries. Despite having

started its administrative development back in the 1950s, the progress towards developing MD in both types has been extremely slow and haphazard. This is owing to bureaucratic, economic, social and political obstacles, inefficient usage of current MD practices and malpractices (Al-Ali & Taylor 1997). Many government departments do not have clear training policies whilst some do, which confuses workers and complicates matters thus, hampering the overall MD progress in Kuwait. As far as the small Kuwaiti private business sector is concerned, it is still very much underdeveloped but where training and development is undertaken seriously it is done with a professional approach.

During the later part of the 20th century, as Ejigu & Sherif (1994) point out, much attention has been given MD in Arab countries. However, it is only recently that these countries have started to prioritise manpower development, because they recognised its importance for the success of their economic and social development. Arab countries, including Libya, implemented training for both present and future managers in order to provide them with knowledge and skills, which would increase human abilities, and enable them, to create and maintain their position in a continually changing world. According to Farley (1971), Libyan education programmes were responsible for preparing a large number of people to work in administrative posts in the public enterprises (PEs), and a large amount of financial support was allocated for this purpose. However, other researchers found that there were difficulties accompanying these programmes, such as the lack of proper co-ordination between them, and the fact that manpower planning and the country's culture influenced the degree of success in education development.

4.4.8. MD in Libya

The work of Agnaia (1997) is informative and allows some idea of the culture of training within Libyan organisations in the 1980's it can be established from Agnaia's research, that between 1967 and 1980, 1,943 Libyans were trained in management subjects by universities, 4,181 were trained in training centres and 2,839 were trained in secretarial skills and printing. During the period 1981-1985, almost 500 Libyans attended courses lasting from six months to one year in the National Institute for Administration, and this institute also contributed towards developing management staff in different sectors, by implementing an annual policy that aimed to develop at least 15% of Libyan employees at different levels of management. Libya gave special

importance to investment in Human Resources, prioritising this in order to prepare and train all of its manpower, and to increase the percentage of Libyans, especially women, with the essential skills. However, in spite of increasing the output of education and training, many sectors remained in need of specialised and qualified local manpower, and the country was still dependent on foreign workers in many parts of the economy, since it faced the problem of the small size of its population, which affected the manpower available for the development programme in different fields.

Agnaia's (1997) study also highlighted the fact that Libyan industrial companies, like those in many other developing countries, are owned, managed and supervised by government institutions, and consequently the management development units within these companies are negatively influenced. He further suggested that certain social, economic and political factors imposed constraints in this respect and hampered the achievement of management development goals. Agnaia's recommendation that more attention should be given to these environmental factors, as well as to the, cultural and organisational structure of companies and their effects on employees and the people who are needed to train them, is one with which the research is in complete agreement. According to Agnaia (1997 p. 117)

“...There is a great deal of interest in studying and analysing the forces influencing organizations, human attitudes/behaviour and the environment which put constraints on the organization and its members, because they must be taken into consideration if the individuals/organizations want to survive”.

This situation according to Agnaia could be considered as one of the reasons why MD programmes in Arab countries find it hard to achieve their objectives. Finally Agnaia pointed out that management training in Libya, as a system, can only succeed in its purpose, if the managers and leaders it creates can deal with the external environment in the country and respond to it in the appropriate way. The work of Agnaia (1997) is informative and allows some idea of the culture of training within Libyan organisations in the 1980's. Agnaia's (1997) study also highlighted the fact that Libyan industrial companies, like those in many other developing countries, are owned, managed and supervised by government institutions, and consequently the management development units within these companies are negatively influenced. Finally (Agnaia 1997) pointed out that management training in Libya, as a system, can only succeed in its purpose, if

the managers and leaders it creates can deal with the external environment in the country and respond to it in the appropriate way.

Libya as a developing transitional country is modernising business practices to become more competitive in the emerging global economic environment, however it is confronted with major challenges, such as high rates of illiteracy and unemployment that are related to the development of workplace expertise and therefore the emergence of HRD. The process of human resource development unlocks the door to modernisation and the operational boundaries of HRD are extended beyond the organisation and the development of individuals within the organisation. HRD becomes a major contributor to national development and competitiveness. Although the concepts and principles of HRD may be similar throughout the world, the way in which HRD is practiced may differ greatly due to differences in culture. The liberalisation of Libyan industry is a place to start.

4.5. Conclusions

Previous research studies looked at management in hierarchically structured organisations operating in relatively stable environments however it is apparent that the development of any country will depend on the how effective organisations, industries, business, services and professionals in both public and private sectors are. Ultimately however the success of these organisations in achieving their objectives depends largely upon the effectiveness of their managers. Furthermore Sutherland (2003) believes that the effectiveness of the managerial workforce will also help a nation to solve economic, social and even political problems

Globalization and HRD have become growing areas of intellectual inquiry, according to Metcalfe and Rees (2005) and there is now a greater awareness of the critical importance of human resources. Even though political as well as economic freedoms have proven to be essential to the development of any society, human resource development is critical in building upon these opportunities. Companies throughout the world must now recognise that the ability to compete globally will be very dependent on the quality and level of global training in their organisation. According to Ramirez (2004) there is a particular concern whether or not national context plays a significant

role in determining management training and development practices with the growing influence of multinational corporations and the opening of world markets.

Management Development (MD) is now being seen much more as the bridge between organisational development which emphasise the needs of an organisation to grow and change, and self-development which focuses on ways in which an individual can help themselves to grow and change in ways which are of benefit to their own career aspirations (Woodall & Winstanley 1998). There is a need for a more pluralist understanding of MD according to Burgoyne and Jackson (1997) in order to appreciate political dynamics and the cultural and symbolic context in which it occurs. In collectivistic cultures MD is used as a tool to motivate employees and reward loyalty and commitment, in fatalistic cultures however managers assume that employees, by nature, have limited capacity that cannot be improved according to Mabey & Finch-Lees (2008). In cultures where there is a heavy emphasis on performance excellence and quality, there is a large budgetary allocation to and widespread application of training and development activities. In performance-oriented cultural contexts, training and development are primarily geared towards improving individual or team performance Aycan et al. (2000). Additionally there is a concern to attribute organisational benefits to effective management or management development; because such activities are expensive, time-consuming and often high-profile Mabey & Finch-Lees (2008). Therefore there is a need to demonstrate that such investments are worthwhile.

According to (Woodall & Winstanley, 1998) the formalised and highly structured approaches currently adopted for MD may not be able to cope with the growing complexity and diversity that is becoming a characteristic of modern organisations. What is required is a more contingent, holistic and systemic approach that links management development more firmly to a wider consideration of contextual influences and the unique context in which organisations are embedded (Doyle, 1995; 2000). In order to do this, what is needed is a MD policy tailored to suit the contextual influences individual organisations face. MD must be viewed by organisations as a long-term investment and a key part of their human resource development, individual organisations must select an approach to MD that is suited to their specific needs, if it is not to be undermined and discredited (Roberts & McDonald, 1995; Currie, 1999). It is therefore vital that organisations have an MD policy, which is a working document that

can be referred to when an organisation needs guidance on achieving objectives or goals.

Most organisations have now accepted the fact that it is essential to recognise that MD is more than a tactical or knee-jerk response to a skills gap and are increasingly using it as part of a wider strategy to achieve their longer-term aspirations (Mabey & Finch-Lees 2008). There is a strong desire by many developing countries to import Western (mainly Anglo-Saxon) conceptions and models of MD and utilise them as powerful tools in their quest for social and economic transformation and renewal. It must be noted however that although these models are considered to be in a dominant position efforts to import them by different countries have not been entirely successful.

The main force driving the development of managers in transitional countries like Libya is the rapid transition from a centrally planned to a market-based economy. However, in a number of cases of this type, Western models of MD have been found wanting as they have failed to adapt to local economic, political and social conditions (Kwiatkowski & Kozminski, 1992). Western 'recipes for success' may therefore be accused of failing because they do not take into account the context confronting them, they lack strategic credibility, and they have not responded to the variations in learning styles of local managers (Lee, 1995; Redman et al., 1995; Hollingshead and Michailova, 2001).

Although there is very little research material on MD management in the Middle-East, the research that has been carried out tended to concentrate on public sector studies Abu Doleh (1996), and how MD attracted no support by senior management Al-Faleh (1987). This is despite the fact that Ejigu and Sherif (1994) point out, that much attention has been given MD in Arab countries. Management Development in these countries has only recently become a priority as its importance is recognised for the success of economic and social development. Arab countries, including Libya, implemented training for both present and future managers in order to provide them with knowledge and skills, which would increase human abilities, and enable them, to create and maintain their position in a continually changing world.

The external environment in Libya was discussed earlier in the literature review (see section 4.4.8) and amongst the most recent significant changes, is the fact that central command or high government interference to an economic system where market driven

forces rather than government sponsored and protected initiatives drive the economy. As a result, central governments control over HRM practices has been greatly reduced and further, economic liberalisation has had a strong impact on HRM systems. Of course the HRM policies in Libya have to be established in relation to the socio-cultural context within which organisations operate and take account of the national culture, political, and economic conditions and the legal system, as well as Islam.

In the next chapter research methodology employed for this study is discussed. It also contains a review of research methods, their advantages and disadvantages. It describes the research philosophy, research approach, research design, and data collection methods employed in this study. Additionally, it provides a justification for adopting each of these, and finally details the data collection method and the tools of analysis utilised to carryout the research.

CHAPTER FIVE

RESEARCH METHODOLOGY

5.0. Introduction

In this chapter, an overview of research methodology is presented, in section 5.0 there is introduction of the research methodology, followed in section 5.1 by research definition. In section 5.2, the main types of research are classified. The three research purposes are explained in section 5.3. There is a discussion of the research philosophy in section 5.4. The main research approaches are considered in section 5.5. The research strategy used in the study is highlighted in section 5.6, the case study strategy used in this research is introduced and compared and evaluated with other methods, the case study background is reviewed and particular attention is given to research planning considerations. In section 5.7, data collection methods and the need to select a sample of respondents to question are discussed. The data analysis strategy is presented in section 5.8, and the need for Credibility of research is made in section 5.9. Finally, the whole chapter is summarised in section 5.10. The methodology is based on the use of a systematic investigative procedure as shown in Figure 5.1

Research is usually designed to examine a problem, something which needs describing, explaining or improving, or about which more information is needed. Research means different things to different scholars; therefore there is no consensus on how to define research (Collis & Hussey, 2003). Methodology is a system of methods and principles used in a particular discipline (Frigenti and Commines, 2002, p.45). However research methodology has been defined as “an overall approach to the research process, from the theoretical foundation to the collection and analysis of the data” Collis & Hussey, (2003, p.55). Clearly, the choice of research methodology is an important part in any research project. It provides a coherent and systematic framework during the research process.

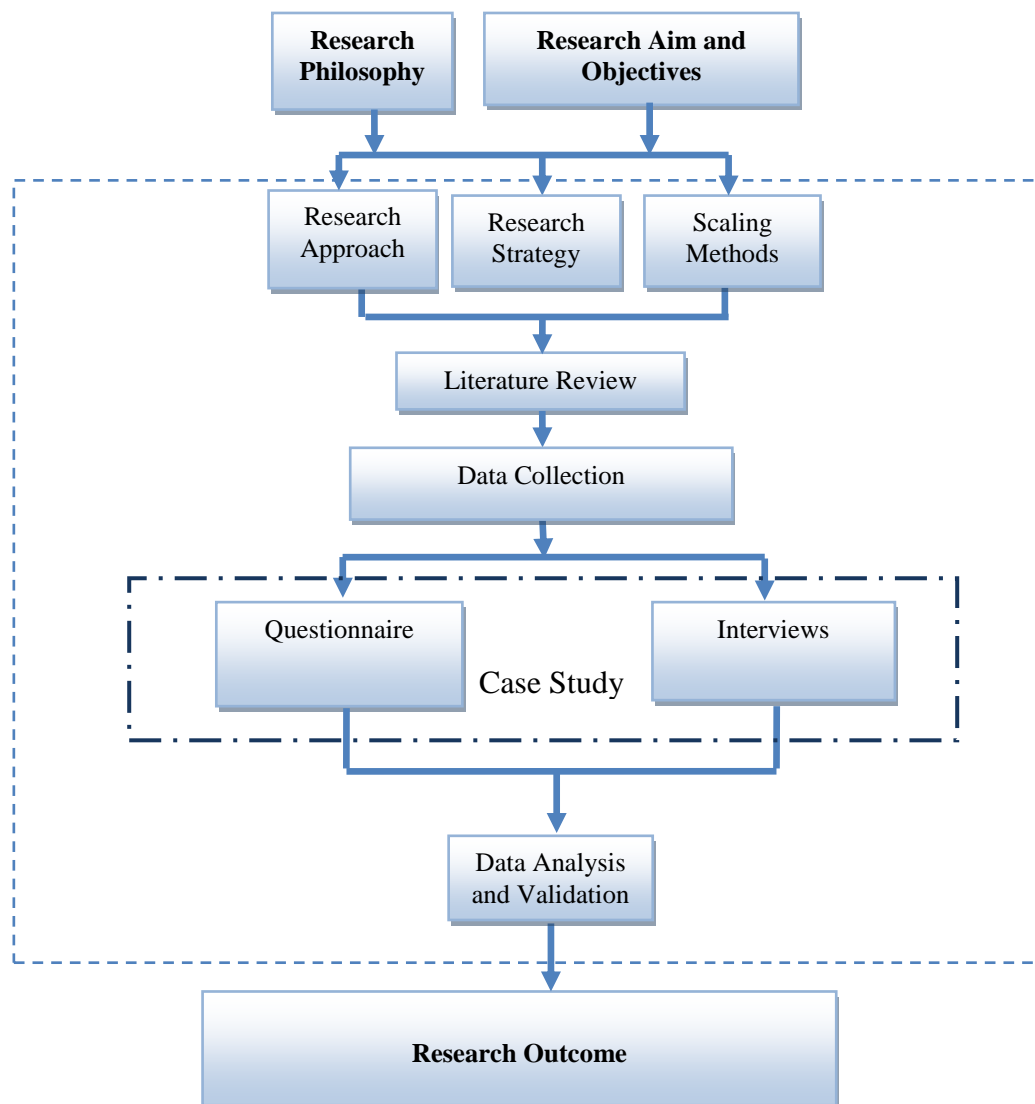
Discussions in research methodology should incorporate techniques and tools used to gather data. Wass and Wells (1995) argued that research methodology is the instrument through which the research objectives are achieved. Dwyer, (2002) indicates that methodology is “the overall approach, and within that the individual research methods and tools used to meet a given research objective. A clear and unambiguous statement

of the research objective is therefore necessary to enable the selection of an appropriate research methodology and data collection techniques”. Also Zikmund, (2002) views methodology, as “the procedures for-collecting and analysing needed information”. McGrath (1982) defined it as “an attempt to develop a language for the relationship between a methodological approach and the area to be studied”.

Furthermore, Berry (1983) advocated that research methodology is not just about data collection and the rules for evidence; but it is more about the nature of explanation and the means by which explanations are produced. However, there is no one universally accepted methodology, but rather a combination of tools used to form the methodology of the research undertaken. In such a way, every methodology can be considered unique and applicable only for its intended purpose.

Research methodology is generally discussing the way a research to be conducted at various levels, from the philosophical position, the choice of techniques, and the techniques itself. Research methodology is the logical link between research questions, conceptual approaches, the methods, the justification, and data sources. Grix, (2010) indicated that research methodology is the choice of research strategies, “the logic of research enquiry”.

Figure 5.1. : Diagram of Research Methodology



5.1. Research Definition

Research is a process of enquiry and investigation and it must be conducted systematically using appropriate methods to collect and analyse the data and must address the research problem (Collis & Hussey, 2003). Amaratunga et al., (2002) claimed that although research is important in both business and academic activities, there is no consensus in the literature on how it should be defined. One reason for this is that research means different things to different scholars. Collis & Hussey (2003) mentioned that from the many different definitions offered, there appears to be a consensus that:

- Research is a process of enquiry and investigation
- It is systematic and methodical
- Research increase knowledge

Soanes & Stevenson, (2005) define research as “the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusion”. Bassey (1999) states “research is systematic, critical and self-critical enquiry which aims to contribute toward the advancement of knowledge and wisdom”. Saunders et al. (2007) defined research as: “something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge”. According to Sekaran (1992, pp.4-5) research can be defined “as an organised, systematic, data based, critical, scientific inquiry or investigation into a specific problem undertaken with the objectives of finding answers or solution to it”. Sekaran (1992, p.5) further asserts that there are two main purposes of any research project, “one is to solve a currently existing problem in the work setting; the other is to add or contribute to the general body of knowledge in a particular area of interest to the researcher”. Moreover, Amaratunga et al., (2002) add that a research depends entirely on the quality of investigation. The quality of investigation is entirely based on facts, experience and data, concepts and constructs, hypotheses and conjectures, and principles and laws.

5.2. Types of Research

Research can be classified in various ways, Verma & Mallick, (1999) e.g. by: type of data collection procedure (e.g. psychological test, observation, questionnaire, and so on); by method; by area of academic discipline (sociological, psychological, anthropological, etc.); or by purpose (whether the intention is a contribution to knowledge or to have policy implications). Collis & Hussey, (2003) classified the main types of research on the basis of purpose, process, logic, and outcome as in Table (5.1).

Table 5.1: Classification of Main Type of Research

Research Classification	Basis of Classification
Exploratory, Descriptive, Analytical or Predictive Research;	Purpose of the Research;
Quantitative or Qualitative Research;	Process of the Research;
Deductive or Inductive Research;	Logic of the Research;
Applied or Basic Research.	Outcome of the Research.

Source: (Collis & Hussy, 2003)

Moreover, Easterby-Smith et al. (2004) classified the research into three main categories: Pure, Applied and Action Research. They stated that the theoretical implications may take at least three forms: of which the first is called Discovery; the second is called Invention; and the third is called Reflection, where an existing theory, technique or group of ideas is re-examined in different organisational or social contexts. This later form of research is widely used, especially for doctoral theses (Easterby-Smith et al., 2004). Based on the above, this research can be considered a reflection research, where the phenomenon of the implementation of MD has been investigated elsewhere in the world and the research is re-investigated in the Libyan oil and gas sector context.

5.3. Research Purpose

According to (Saunders et al., 2007) enquires can be classified in terms of their purposes as well as the research strategy which is used. In general, three types of research purpose exist: exploratory, descriptive, and explanatory (Saunders et al., 2009, Grix 2010). Descriptive research and explanatory research are commonly used in social research (Vaus, 2001).

- Exploratory study: is conducted into research problem or issue when there are few or no earlier studies to which we can refer for information about the issue or problem (Collis and Hussey, 2003). It explores relevant data and existing theory for further study (Grix, 2010). This category is trying to find out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light (Robson, 1993). It is particularly a useful approach to clarify the understanding of a problem when the researcher is uncertain which theories are

relevant and when important characteristics and relations are difficult to determine.

- Descriptive study: describes the impact of particular factors in the incident by giving detail information of the process (Grix, 2010). The object of descriptive studies is “to portray an accurate profile of persons, events or situations” (Robson, 1993). This may be an extension of an exploratory research. It is necessary to have a clear picture of the phenomena of which the data will be collected before starting data collection. The detail information indicates that this kind of research focus on process in accurate way (Saunders et al., 2009).
- Explanatory study; this category is trying to establish causal relationships between variables. The nature of the research allows it to correlate and explain various factors relationship (Saunders et al., 2009). In these studies the emphasis is on studying a situation or a problem in order to explain the relationship between variables. In social science, this approach is useful to generalise the findings to other phenomenon (Grix, 2010).

5.4. Research Philosophy

The first step which should be taken into account when designing the research method is the research philosophy or paradigm. Saunders et al, (2003) stated that the research philosophy reflects the way the researchers think about the development of knowledge which will affect the way they go about doing research. There are a number of reasons why an understanding of philosophical issues is very useful (Easterby-Smith et al., (2002). First, such an understanding can help clarifying research designs. Secondly knowledge of research philosophy can help the researcher to recognise which design will work and which will not, and should enable a research to avoid going up too many blind alleys and should indicate the limitations of particular approaches. Finally knowledge of philosophy can help the research identify, and even create designs that may be outside his or her past experience and it may also suggest how to adopt research designs according to the constraints of different subjects of knowledge structures. In the same vein, Creswell (2003 p. 100) also stated that,

“... there is a strong link between the design of the study that refers to the overall approach followed to solve the particular research questions and the overall paradigm of scientific inquiry, which set the philosophical basis for the research”.

The concept of research philosophy refers to the progress of scientific practice based on people's views and assumptions regarding the nature of knowledge. Research philosophy contains important assumptions about the way in which you view the world (Saunders et al., 2009). Research philosophy consisting of ontology and epistemology can be considered as the foundation upon which research is built (Grix, 2010). Furthermore, Grix (2010) indicated that philosophical assumption, particularly ontology and epistemology, is the driving substance of research methodology, which then influences the choice of the strategic and practical approach to the research.

From various philosophical elements, there are two of the most prevalent branches; the ontology and epistemology; ontology logically precedes epistemology whilst epistemology precedes methodology. Many researchers discuss the ontology and epistemology only within the specific context of their research (Sutrisna, 2009). However, ontology and epistemology are actually portraying a bigger picture, i.e. how the researcher perceives reality in his/her life that will certainly influence the way he/she is doing the research rather than how reality is perceived in one particular research (Sutrisna, 2009).

Ontology, logically precedes epistemology, it is about “what we may know” (Grix, 2010), ‘the nature of the reality’ (Sanders, et al, 2009). It concerns with believe of what construct reality (Grix, 2010). Ontology discusses the ‘claims’ and assumptions that are made about the nature of reality, claims about what exist, what it looks like, what units make it up, and how those units interact with each other (Guba and Lincoln,1994). Ontological positions has two most popular examples: objectivism and constructivism. Objectivism is an ontological position that believes a particular phenomena and its meaning independently exist apart from human interventions. On the other hand, constructivism is an ontological position that asserts that phenomena and their meanings are continually being accomplished by the actors. Thus, an objectivist believes that there is one objective reality experienced the same way by each and every one of us whilst a constructivist believes that reality is ‘constructed’ by each and every one of us differently.

Epistemology is mainly concerns about “how come to know what we know” (Grix, 2010). It is the knowledge to understand the reality. “Epistemology is a branch of philosophy concerned with the theory of knowledge” (Grix, 2010) .It focuses on the process of constructing knowledge, the way to understand knowledge, the development of knowledge (Grix,2010) and what represent the knowledge (Saunders et al., 2009). Epistemology concerns with the claims of what is assumed to exist can be known by the knower or to-be-knower (Guba and Lincoln, 1994). The most commonly used example of epistemological position is: positivism and interpretivism.

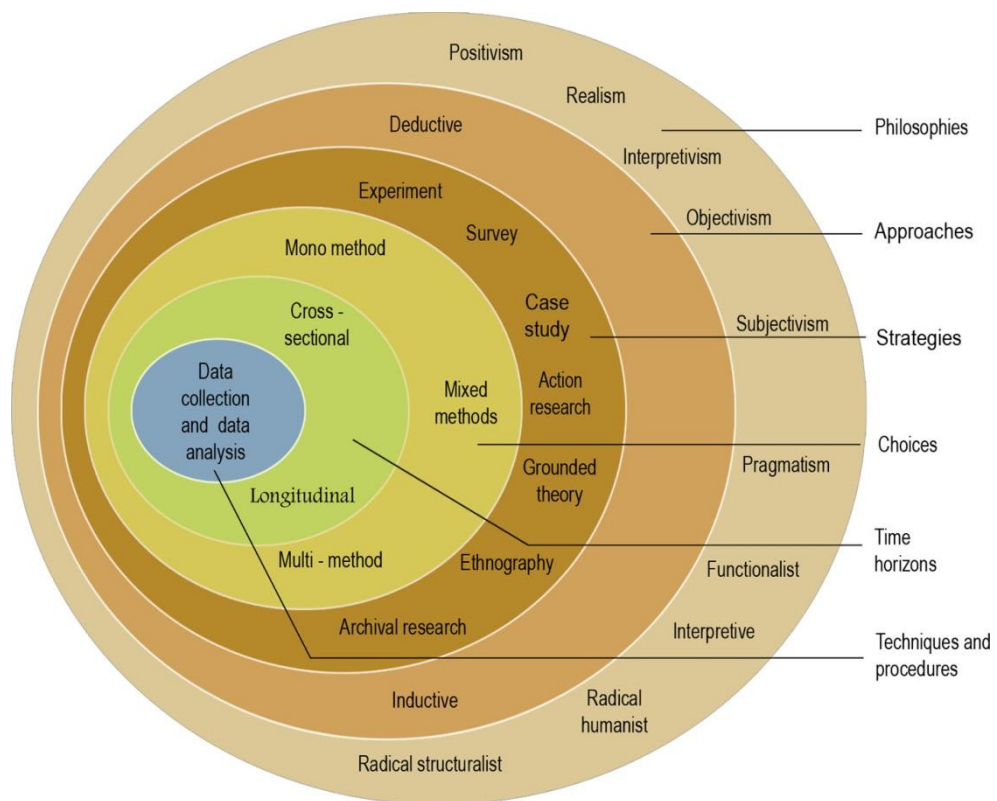
Positivism is an epistemological position that applies ‘scientific’ methods to see the reality. A research with an extreme positivism position might rely on the representative of the whole reality in order to predict the result. Interpretivism, on the other hand, is an epistemological position that separate the objects of natural science from the actors, an extreme interpretivist would then see the reality by the story, informal, and unstructured interview. On a research, it is often related to the interaction between the researcher and objects being research (Creswell, 1994). It’s about the involvement of feeling of the researcher to the objects (Sanders et al., 2009). Thus, a positivist believes that the reality can be observed, studied and even ‘modelled’ whilst an interpretivist believes that the reality can only be interpreted.

Ontology and epistemology are not the same but closely intertwined. It should be a logical basis prior to epistemology. Ontology influence what epistemological stance would be and both will influence the research methodology (Grix, 2010). From the above discussion we can see that the link between ontology and epistemology is inevitable. In this case, positivism and constructivism are presented alongside to be able to understand the difference and the interrelationship. Positivism mainly takes objectivism as basis of understanding the reality that there is only one objective reality experienced by us all, therefore the job of the researchers is to discover that one objective reality and model it. Interpretivism, on the other hand, mainly takes Constructivism as the basis of understanding the reality that constructed individually and interpreted differently.

According to (Saunders et al., 2007) research process can be represented by five layers as shown in figure 5.2. The first layer raises the question of the research philosophy. The second layer considers the subject of the research approach that flows from our

research philosophy. Thirdly, the research study will be examined and the fourth layer is about time horizons which are applied to the research. In the fifth layer data collection will be identified, and then the validity and reliability of the research will be examined. There is no definite rule regarding which philosophy to select when doing research. It all depends on the nature and scope of the thesis, source of the data, research questions and hypotheses or proposal, constraints and scope of the research, and the overall research aim (Yin, 1994).

Figure 5.2: Research Process Onion



Source: Saunders et al. (2007, p.102)

According to positivist, knowledge in science can be only achieved from direct experience and observations, (Robson, 2002) it is believed that there is a truth or objective reality waiting to be discovered by social scientists, and that researchers discover this reality by staying detached, neutral and objective throughout the research. However there are a number of distinguishing aspects of positivist research: it is typically deductive, it typically includes gathering and analysing quantitative data, and it normally involves high structured methodologies to facilitate replication (Saunders et al, 2003). May (1997) points out that positivist do not concentrate to the detail of people’s inner mental states. Easter-Smith et al, (2002, p.28) described positivist

research as: “The social world exists externally, and that its properties should be measured through objective methods, rather than being inferred subjectively through sensation, reflection or intuition”.

The positivistic approach seeks the facts or causes of social phenomena, with little regard to the subjective state of individual. Thus logical reasoning is applied to the research so that precision, objectivity and rigour replace hunches, experience and intuition as the means of investigating research problem. Positivism is founded on the belief that the study of human behaviour should be conducted in the same way as studies conducted in the natural sciences. It based on the assumption that social reality is independent of the actors and exists regardless of whether they are aware of it. The act of investigating reality has no effect on that reality (Collis and Hussey, 2003).

According to positivists, laws provide the basis of explanation, permit the anticipation of phenomena, predict their occurrence and therefore, allow them to be controlled. Explanation consists of establishing causal relationships between the variables by establishing causal laws and linking them to deductive or integrated theory. Thus, social and natural worlds are both regard as being bound by certain fixed laws in a sequence of causes and effect.

On the other hand, phenomenologists (constructivist) believe that “reality” is not objective and exterior but it is socially constructed and is given meaning by people (Hussey and Hussey, 1997; Collis and Hussey, 2003). The focus is on the meaning, rather than the measurement, and on the ways which people make sense of the world, especially through sharing their experiences with others via the medium of language (Easterby-Smith et al., 2004). Phenomenology (constructivism) approach tries to understand and explain a phenomenon rather than search for external causes or fundamental laws (Easterby-Smith, 1991). Moreover, Phenomenologist (constructivist) believes that in order to understand the reality it is essential to discover the details of the situation or may be a reality working behind them (Remeny et al, 1998; cited in Saunders et al 2003, p.84).

In addition, interpretations are likely shared between people; however there are significant social forces and processes that have an effect on people’s interpretation and

behaviours without their necessarily being aware of the existence of such influences, and this fact is recognised by social Phenomenologist (constructivist) (Suanders et al, 2003). Phenomenologist (constructivist) focusing on understanding the phenomena in depth to answer questions such as: what, why and how. In this concept the researcher is not independent of what investigated, but is a part of it (Remeny et al, 1998). Within this perspective, all knowledge is socially-constructed, and gathering evidence in a social environment reflects socially-constructed images, or interpretations of reality, rather than scientific fact, so in order to understand human behaviour, the context in which it occurs should be appreciated (Welman and Kruger, 2001).

Easterby-Smith *et al.* (2004, p.30) summarise the distinction between positivist and phenomenological (constructivist) philosophies as shown in Table 5.2.

Table 5. 2: Contrasting Implications of Positivism and Constructivism

Theme	Positivism	Constructivism
The observer	Must be independent	Is a part of what is being observed
Human interests	Should be irrelevant	Are the main drivers of science
Explanations	Must demonstrate causality	Aim to increase general understanding of the situation
Research progress through	Hypotheses and deduction	Gathering rich data from which ideas are induced
Concepts	Need to be operationalised so that they can be measured	Should incorporate stakeholder perspective
Units of analysis	Should be reduced to simple terms	May include the complexity of “whole” situations
Generalisation through	Statistical probability	Theoretical abstraction
Sampling requires	Large numbers selected randomly	Small numbers of cases chosen for specific reason

Source: Adopted From Easterby-Smith et al. (2004)

Following the ongoing discussion, the social objectivism (Positivism) approach is the philosophical stance taken in this research to investigate the main factors that impact the

implementation of management development programmes in the Libyan Upstream oil companies. This stance is in line with the aim and objectives of this research particularly in exploring the aspects of human activity and focusing on the measurement of socio phenomena rather the subjective state of the individual. Therefore, the research adopts the positivist philosophy. This philosophy allows logical reasoning to be applied to this research which is carried out with objectivity and rigour to investigate research problem.

5.5. Research Approach

There are two main research methodological approaches, the deductive and inductive. According to Collis & Hussey (2003) the deductive research is a study in which a conceptual and theoretical structure is developed and then tested by empirical observation while the inductive research is a study in which theory is developed from the observation of empirical reality. Deduction is the process by which the research starts with a theoretical proposition and then moves towards concrete empirical evidence. On the hand, induction is a process by which the research observes certain phenomena and arrives at certain conclusions (Cavan et al., 2001). The inductive approach is generally an inquiry to understand a social or human problem from multiple perspectives (Yin, 1994). Inductive research (building theory) is used when a research would collect data and develop a theory as a result of data analysis (Saunders et al., 2000). Inductive research is moving from specific observations to broader generalizations and theories (Collis & Hussey, 2003, William, 2006). Informally, it is called a "bottom up" approach (William, 2006).

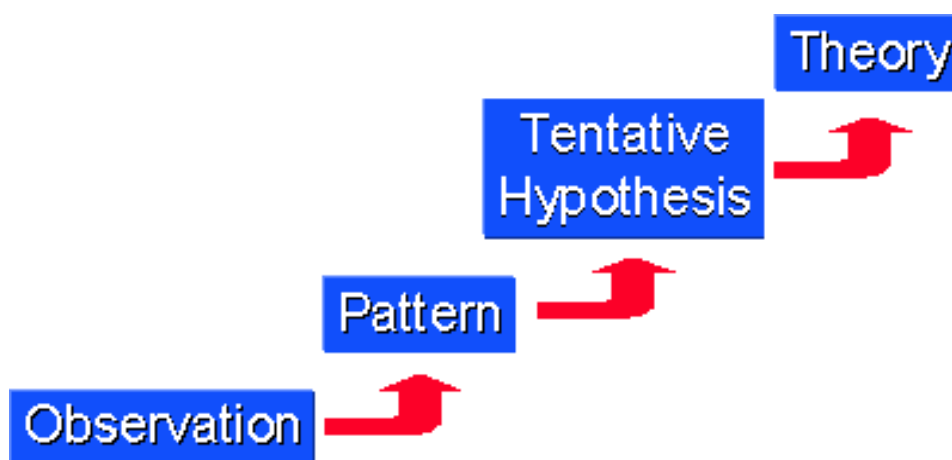


Figure 5.3: Inductive Research (William, 2006)

Deductive research (testing theory) is used to develop a theory and hypothesis and design a research strategy to test the hypothesis (Saunders et al., 2000). Deductive research moves from the more general to the more specific or particular (Collis & Hussey, 2003, William, 2006). Sometimes this is informally called a "top-down" approach (William, 2006).

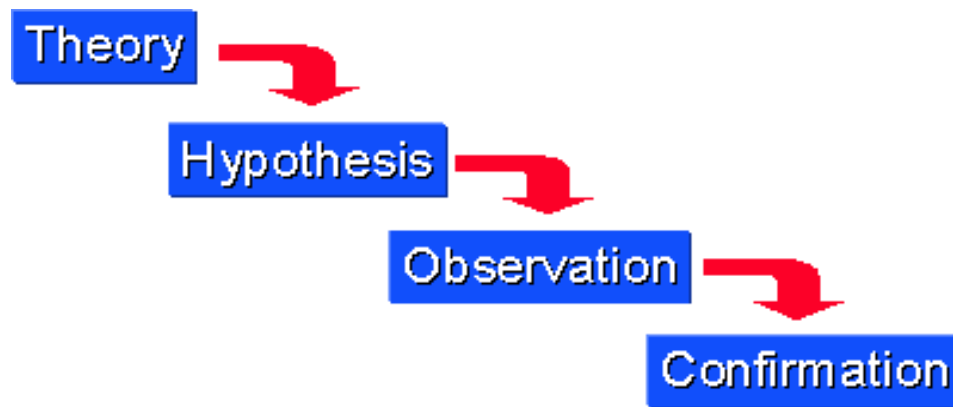


Figure 5.4: Deductive Research (William, 2006)

The deductive approach is typically linked to a positivism research philosophy and induction to a constructivism research philosophy (Saunders et al, 2007). Table 5.3 summarised the main differences between deductive and inductive approaches.

Table 5.3: Major Differences Between Deductive and Inductive Approaches Research.

Deductive Approach	Inductive Approach
Scientific principles;	Gaining an understanding of the meanings humans attach to events;
Moving from theory to data;	A close understanding of the research context;
The need to explain casual relationships between variable;	The collection of qualitative data;
The application of controls to ensure validity of data;	A more flexible structure to permit changes of research emphasis as the research progresses;
The operationalisation of concepts to ensure clarity of definition;	A realisation that the research is part of the research process;
A highly structured approach;	Less concern with the need to generalise;
Research independence of what is being researched;	
The necessity to select samples of sufficient size in order to generalise conclusions.	

Source: (Saunders *et al.*2007,

Collis & Hussey (2003) argued that discussion of different types of research approaches allows the researcher to understand the best way to conduct his/her, but suggest not feeling constrained. A researcher can move between inductive and deductive approaches. Seidman (2006) believed that no interviewer can enter into the study of an interview as a clean slate. This is supported by Saunders et al., (2007) who regarded the combination of deductive and inductive approaches as not only perfectly possible within the same piece of research, but it is often advantageous to do so.

The selection of an appropriate research approach is crucial to the success of any research project. As discussed above and according to Sekaran (2003) who argued that the combination of deductive and inductive approaches is possible in the same piece of research. Therefore, in this research both approaches were adopted; a deductive approach was used in developing the theoretical framework from literature that identifies the key factors affecting MDPs in Libyan Upstream Oil companies. However this research was also intended to seek a deeper understanding of the phenomenon of management development in the organisations investigated by choosing the inductive approach in order to achieve the research objectives and conduct data collection and data analysis to come up with findings whilst using the current body of knowledge to inform an appropriate data analysis.

5.6. Research Strategy

Epistemological, and ontological assumptions together with the nature of the research topic can influence the selection of the research strategy. There are a number of research strategies in social science research (Velde et al., 2004; Yin, 2003), which include: experiments, surveys, histories, analysis of archival information and case studies.

5.6.1. Case Study Strategy

Robson (1993 p.40) defines case study as the “development of detailed, intensive knowledge about a single case, or small number of related cases”. This strategy will be of particular interest to gain a rich understanding of the context of the research and the processes being enacted (Morris and Wood, 1991).

Sekaran (2003, p.264) stated that: "Case studies involve in-depth, contextual analysis of similar situations in other organisations, where the nature and definition of the problem happens to be the same as experienced in the current situation" and Remenyi et al.

(1998) as "a detailed investigation of the context and processes that affect a phenomenon within organisations"

Yin (2003, p.13) defines case study as: "An empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident".

Yin (1994) classified case studies into three types for research purposes:

- Exploratory case studies: sometimes considered as a prelude to social research;
- Explanatory case studies: may be used for doing causal investigations;
- Descriptive case studies: require a descriptive theory to be developed before starting the project.

Case studies are often described as exploratory research, used in areas where there are few theories or a deficient body of knowledge (Collis and Hussey, 2003).

Yin (2003) pointed out three conditions which can be used to select the appropriate strategy for research:

1. The type of research question posed
2. The extent of control an investigator has over actual behaviour
3. The degree of focus on contemporary as opposed to historical events

A case study can involve either single or multiple cases. Hakim (1987) pointed out that multiple case designs can be extended to dozens of cases in order to replicate the same study in different organisations, or to compare different cases. He added that multiple cases are more appropriate for topics that involve too many people to be surveyed and interviewed, and especially for organisations, roles and interactions amongst people. By using the case study method in this research, the multiple case study is employed.

Robson (1993) and Yin (2003) indicate that the case study is an appropriate strategy when "how" or "why" questions are being posed. The data collection methods employed may be various. They may include questionnaire, interviews, observation, and documentary analysis.

Yin (1994) appears to operate from ontology when he defends case method against attacks, especially in relation to the three forms of validity: construct validity, internal validity, and external validity. A key suggestion for dealing with construct validity is to use multiple sources of evidence; for internal validity Yin (1994) stresses the importance of building cases over time in order to eliminate alternative explanation; and for external validity he points out that case studies rely on analytic rather than statistical generalisations.

Yin (2003) states five different types of research design. They are experiment, survey, archival, history and case study. The relevant situations for different research design are summarized in Table 5.4.

Table 5. 4: Relevant Situations for Different Research Strategies

Strategy	Form of Research Question	Requires Control of Behavioural Events	Focus on Contemporary Events
Experiment	How, Why?	Yes	Yes
Survey	Who, What, Where, How many, How much?	No	Yes
Archival analysis	Who, What, Where, How many, How much?	No	Yes/No
History	How, Why?	No	No
Case study	How, Why	No	Yes

Source: Adapted from Yin (2003, p.5)

This allows the researcher to determine not only what happened but also why it happened. It was also recommended to use case study strategy when the researcher has no control over the events and when the focus is on contemporary events.

Unfortunately, conducting case study research sometimes is under criticism because of the ‘unscientific’ feel it has. Yin (2003), however, has put together a convincing argument to argue that case study can be a very worthwhile way of exploring existing theory. In addition, a simple well-structured case study can enable researchers to challenge an existing theory and also provide a source of new hypotheses.

5.6.2. Evaluating the Case Study Strategy

Another reason for preferring the case study method over other methods is that it is in line with the observations by Gummesson (1991) when he argued that case study research is becoming increasingly accepted as a scientific method in various fields including business administration, and that case study research is a 'usual' strategy for studying processes in companies. Furthermore, the case study method offers the possibility of understanding the nature of a particular activity in terms of techniques, procedures systems.

Regarding types of case study research, Gummesson (1991 p. 100) pointed out that:

Case studies vary in character and there are two types; firstly, the case study, which attempts to derive general conclusions from a limited number of cases, e.g. the marketing process can be examined in a number of companies in the industrial sector in order to come to certain conclusions regarding industrial marketing. Secondly, the case study, which seeks to arrive at specific conclusions on the basis of an analysis of a single case study.

According to De Vaus (2001) social surveys and experiments are frequently viewed as prime examples of quantitative research and are evaluated against the strengths and weaknesses of statistical, quantitative research methods and analysis. Case studies, on the other hand, are often seen as prime examples of qualitative research — which adopts an interpretive approach to data, studies 'things' within their context and considers the subjective meanings that people bring to their situation. Case study research is concerned with, "... the complexity and particular nature of the case in question", Bryman (2001 p. 47).

But as Yin (2003 p. 1) points out, "Using case studies for research purposes remains one of the most challenging of all social science endeavours. The justification for the use of a case study design is that this is a tried and tested strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. As a strategy it offered this researcher the ability to generate answers to the question 'why?' as well as the 'what?' and 'how?' questions. Additionally case study is based on the well-established

statistical principles of sampling the sample used reflects the characteristics of the wider population.

5.6.3. Case Study background

The oil industry in Libya is controlled through a state controlled organisation called the NOC. There are upstream as well as downstream oil companies, the producers of oil are those operating upstream and of this group, the vast majority are not solely Libyan owned. There are two cases to be studied for this research they are both operating upstream but although one is completely owned by the NOC, (Waha Oil Company) the other (Repsol Oil Operation) is owned as partners by the NOC and the REMSA consortium, which is a conglomerate of Western oil companies. The oil sector in Libya like other Arab Countries is of tremendous importance, as it has boosted the economic position of those countries, due to the demand for oil in the Western world.

This researcher has selected one national and one multi-national oil company to get a full understanding of management development practices and policies in Libya's oil sector, and to see any similarities or differences regarding management development programmes in the selected organisations. There could be differences regarding management development practices between national and multinational companies operated in the upstream oil activities. Differences may arise in company structure, strategy and management style. For instance, in the multi-nationals, such as Repsol Oil Operations, the management committee consists of foreigners and Libyans, whereas in the national upstream oil companies, such as Waha Oil Company, they consist of only Libyans (NOC, 2009). This difference could affect the style of management development used, as in Waha, an entirely Arab based, politically and culturally driven style might exist, while in Repsol the influence of the Anglo-Saxon model of MD might be apparent due to the influence of that companies European Partners.

Yin, (2009) stated that when the research has the choice, multiple-case designs (strategy) may be preferred over single-case designs, and that even a 'two-case' design is better as regards to "possibility of direct replication, more powerful analytic conclusions" than using a single case. Likewise Remenyi et al (1998) suggest that one case study can't provide sufficient evidence to enable robust generalisation. Therefore, to achieve the research objectives and to get a full understanding of MD practices and policies in Libya's oil sector, and in order to achieve the best selection among the

upstream oil companies operated in Libya and guarantee the best sources of data relevant to this research. Yin, (2009) stated that with two cases, the context of the two cases is likely to differ to some extent, as is the case with the chosen companies (one national and one multi-national), chosen for this research which were selected because:

- The two companies are upstream oil companies (exploration, drilling, production and manufacturing) are highly dependent on imported “mainly western” technologies and therefore, MD is crucial.
- The two companies constitute the highest daily production of crude oil in Libya. Production at Waha and Repsol is 500,000 and 380,000 barrels per day, respectively. This forms about 50% of the Libyan daily exports of crude oil, and this high production demands many employees, and hence, more training and development programmes (NOC, 2009).
- Waha Oil Company, as a national company has been in operation for about 50 years; hence it has good experience regarding training and development. It is one of the major national companies in Libya.
- Repsol Oil Operations is the largest multi-national company operating in Libya, this company is sending many employees for training and development programmes to build-up its manpower, in order to meet the calibre required for each activity in the company (Eshtiwe, 2005).
- Accessibility to the selected companies will be easy for the research.
- Since the headquarters of the companies are located near to where the researcher used to live, this will be convenient regarding time, and cost constraints.

5.6.4. Research Planning

The reasons for detailed research planning are not only that clear objectives must be derived from the research questions, and sources from which data is to be collected identified, but most importantly that any constraints such as access to data, ethical issues, as well as data analysis must be seriously considered.

Social survey research says Bryman (2001 p. 42) is comprised of “a cross-sectional design in relation to which data are collected predominantly by questionnaire or by structured interview on more than one case and at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables, which are then examined to detect patterns of association”. “People have very different ideas about surveys”, Williams (2003 p. 87) some in the non-social science field think that the design and implementation of surveys is easy. Surveys come in different varieties, there are simple descriptive surveys that can be undertaken after just a minimal amount of training, but there is an awful lot of difference between the design, execution and analysis of a one-page self-completion questionnaire and a complex interview schedule of the kind used in large-scale government or academic surveys. Although it is true that some surveys are straightforward and descriptive the more ambitious the research objectives and questions, the more complex the design has to be.

In survey research the, “... knowledge that is gathered from respondents is particularly important but in some instances researchers tend to have strong, frequently polarised, views about the place and importance of surveys” Robson (2002 p. 230). But on the other hand data may be adversely affected by certain characteristics of the respondent, such as their knowledge and experience of the topics being surveyed, or their personality and willingness to participate. Additionally researcher bias may also have adverse effects as personal feelings or beliefs colour perceptions. However surveys offer a relatively simple and straightforward approach to the study of people’s attitudes, values and beliefs. Survey research is highly structured, and because of this, “... it is true in general that you are unlikely to discover anything from it which you have not in some sense anticipated” Sapsford (1999 p. 13). Standardisation lies at the heart of survey research, as the primary concern is to gather consistent answers to consistent questions. It is important therefore to standardise the questionnaire as a measuring instrument. This is perhaps the most advantageous aspect of survey research and the questions may be adapted to collect generalisable information from almost any human population and allow such high amounts of data standardisation.

Initial thought therefore must be given to access within any of the cases to be studied HRM specialists can be asked to act as brokers as they usually have a wide range of contacts, Easterby-Smith et al. (2002). Additionally the individual HRM specialist

maybe more inclined to help provide access provided something is offered in return. Access may also be assisted by the fact that there seems to be a growing acceptance of the value of in-company projects, Easterby-Smith et al. (2002) possibly because many HRM specialists as well as other managers have been through business schools themselves. Consequently they are not so likely to be threatened, and they may be genuinely interested in what is being investigated, in certain circumstances personal contacts within a company may help to gain access.

The initial contact with an HRM specialist maybe made by phone or letter, or perhaps an email works better. In this initial contact it will be necessary to convince the reader that the request for access is worth supporting and that the benefits of research proposed outweigh the likely costs. The initial contact therefore should point out that the time and resources requested are minimal and provide reassurance as well as explaining who needs to study in order to investigate research questions, Bryman, (2001).

There is a case for the fact that, “attempting to conduct qualitative interviews by telephone may lead to advantages associated with access, speed and lower cost”, Saunders et al. (2003 p. 269). Additionally this method could allow contact with respondents who would not otherwise be able to take part or who it would be prohibitive to try to interview face-to-face due to distance or cost and time required. Even where distances is not an issue, interviews conducted over the phone still offer advantages associated with speed of data collection and lower cost.

5.7. Data Collection Methods

Surveys are useful and powerful in finding answers to research questions through data collection and subsequent analyses Sekaran (2003 p. 264) but, “...they can do more harm than good if the population is not correctly targeted”. Sampling is about finding a group to survey, which is enough like the population under investigation that valid generalisations can be made from the population on the basis of the sample. The two main types of sampling designs are probability and non-probability sampling. In probability sampling, all the members in the population have some known chance or probability of being selected as sample subjects. The process of probability sampling can be divided into four stages that include, “... identifying a suitable sampling frame, a suitable sample size and the most appropriate sampling technique that ensures the sample is representative of the population” Saunders et al. (2003 p. 153). At the

companies studied for this research all managers were invited to complete a questionnaire. This judgemental sampling technique is discussed further in section 5.7.1.

There are several data collection methods, each with its own advantages and disadvantages the use of appropriate methods greatly enhance the value of the research, Sekaran (2003). Possible methods include interviews face-to-face or by telephone, computer-assisted interviews, and interviews through the electronic media. Questionnaires that are personally administered, sent through the mail, or electronically administered. Observation of individuals and events with or without videotaping or audio recording as well as a variety of other motivational techniques such as projective tests are also possibilities. Interviewing, administering questionnaires, and observing people and phenomena are the three main data collection methods in survey research.

“Observation is a method for collecting data associated with either a positivistic or a phenomenological methodology”, Collis and Hussey (2003 p. 171) and there are two main types, non-participant and participant. The purpose of non-participant observation is to observe and record what people do in terms of their actions and their behaviour without the researcher being involved. Participant observation is a method of collecting data where the researcher is fully involved with the participants and the phenomena being researched. The aim is to provide the means of obtaining a detailed understanding of values, motives and practices of those being observed. Participant observation invariably raises ethical dilemmas, particularly when conducted in a covert way. These dilemmas need to be considered carefully by researchers, preferably before they embark on fieldwork, Easterby-Smith et al. (2002). Problems associated with observation techniques include the lack of control of variables in a natural setting, but by observing the behaviour in two different settings you can draw comparisons. Other problems are concerned with, “ethics, objectivity, visibility, technology for recording what people say and/or do, boredom, and the impact the researcher has on those observed”, Collis and Hussey (2003 p. 172).

The survey strategy makes the greatest use of questionnaires this term includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (DeVaus 2002). It therefore includes structured interviews and telephone questionnaires as well as those in which the questions are answered without an interviewer being present. Self-administered questionnaires are

usually completed by the respondents they can be delivered and returned electronically using either email or the Internet (on-line questionnaires). Mail questionnaires are posted to respondents who return them by post after completion. Delivery and collection questionnaires are delivered by hand to each respondent and collected later. Structured interviews (sometimes known as interview schedules), refers to those questionnaires where interviewers physically meet respondents and ask the questions face to face. These differ from semi-structured and in-depth interviews, as there is a defined schedule of questions, from which interviewers should not deviate.

A low response rate is a serious and common problem with self-completion questionnaires but good planning can increase the response rate, Robson (2002 p. 239). A good response is dependent on the recipient being motivated to answer the questionnaire and to send it back and the covering letter and good design will help to ensure a high level of response, Saunders et al. (2003). Response rate is significant because unless it can be proven that those who do not participate do not differ from those that do, there is likely to be the risk of bias. In other words, if, as is likely, there are differences between participants and refusals, it is probable that the findings relating to the sample will be affected. If a response rate is low, it seems likely that the risk of bias in the findings will be greater, Bryman (2001). The main advantage of a Personally Administered Questionnaire is that the researcher can collect all the completed responses within a short period of time and any initial doubts that the respondents might have on any question can be clarified on the spot. The researcher is also afforded the opportunity to introduce the research topic and motivate the respondents to offer their frank answers, Sekaran (2003).

“Interviews although having varying amounts of ‘structure’ will contain some standardisation of recording, such as a description of the respondent”, Williams (2003 p. 65) mainly because the researcher will have a list of topics to explore, the respondent should however, be encouraged to expand on the standardised answers. The acceptable length for structured interviews can vary from only a few minutes in to over two hours in a more comfortable environment. In unstructured interviews the researcher does not enter the interview setting with a planned sequence of questions to be asked of the respondent. The objective of the unstructured interview is to bring some preliminary issues to the surface so that the researcher can determine what variables need further in-depth investigation. While structured interviews are those conducted when it is known

at the outset what information is needed. The interviewer has a list of predetermined questions to be asked of the respondents. Structured interviews could be either face to face or through the medium of the telephone, depending on the level of complexity of the issues involved, the likely duration of the interview, the convenience of both parties, and the geographical area covered by the survey.

The main advantage of face-to-face or direct interviews is that the researcher can adapt the questions as necessary, clarify doubts, and ensure that the responses are properly understood, by repeating or rephrasing the questions. Disadvantages are the geographical limitations they may impose on the surveys and the vast resources needed if such surveys need to be done nationally or internationally. In the semi-structured interviews the researcher will have a list of themes and questions to be covered, although these may vary from interview to interview. This means that some questions can be omitted in particular interviews, given the specific organisational context that is encountered in relation to the research topic. The order of questions may also be varied depending on the flow of the conversation. On the other hand, additional questions may be required to explore your research question and objectives given the nature of events within particular organisations. The nature of the questions and the ensuing discussion mean that data must be recorded by note-taking, and by tape-recording the conversation. In this research the main objective of the structured telephone interviews carried out in retrospect were to gather specific information regarding management development within the companies the areas discussed included the structure staffing and organisational culture of the companies, and the nature of its processes and activities. Finally in the interviews conducted by telephone the managers from each company were asked what value they felt their organisation placed on management development. The use of retrospective qualitative interviews by telephone was employed because of the advantages associated with access, speed and lower cost.

The main objectives of this research and the thrust of the questions designed were to analyse the current management development practices in a Libyan organisations and explore the extent to which transference of Western management development practices, if such a transference is possible, has in fact occurred. Because standardisation lies at the heart of survey research, the primary concern was to gather consistent answers to consistent questions. It was important therefore to standardise the questionnaire as a measuring instrument.

In order to do this researcher wanted answers to the following questions:

- What sort of management development takes place here?
- Do you think these approaches to management development are effective?
- Does your company have a Westernised view of management development practice?
- Do you think it should have?
- What effect do you think proper management development has on organisational effectiveness?

The questionnaire was divided into FOUR sections the first was designed to gather general information about the respondent.

The respondents' gender was asked for to give an indication of the incidence of female managers working in the oil sector, they were asked their age to discern whether or not work in the oil sector was an old man or a young man's job. In order to discover if educational level attained played a part in the selection of managers they were asked about their highest level of education. To be able to discover the representativeness of the respondents throughout the managerial levels in the organisation they were asked their current job grade and their current job title. As an indication of their experience in management they were asked the length of time they had held their positions. Because one of the companies investigated is a multi-national the respondents were asked if they were Libyan or Non-Libyan. There are a great many departments and sections within oil companies and these respondents were not only asked how big their department or section was, but also in the organisation how many managers worked there.

In section two of the questionnaire respondents were asked for their views on various aspects of the management development carried out within their organisation. More specifically they were initially asked about managers, willingness to participate in management development, as well as their awareness of the organisational need for it. In an effort to address the suggestion that in Arab or Middle-Eastern organisations nepotism, favouritism and familial ties play a part in a persons prospects of training and promotion. The respondents' were asked about the selection of candidates for management development and what criteria they felt it should be based on. The respondents were next asked about management development at the organisational level, more specifically the reasons they felt most important from an organisation perspective which led to the implementation of management development programmes,

As well as, to what extent they felt these management development procedures were effective and support at the highest levels. Next they were asked in which particular areas of management they felt they and their colleagues need development in and then in what way they believed management development programmes within their organisation were evaluated. Finally they were asked directly to indicate their feelings about the effectiveness of management development within their company.

In section three the respondents were specifically asked about the methods of management development used in their company while in section four more general questions were put to the respondents regarding factors that can influence, selection for management development programmes the ability of management development activity to achieve its objectives. They were also asked whether they felt there was any similarity between management development activities in Libyan companies compared with and Western companies and also whether their company received any advice or national guidance in the area of management development.

Finally in section four the respondents were asked to what extent they felt a variety factors influenced their performance in the company. These factors included objectives set by the company that were inconsistent and conflicting or indifferent, hostility of subordinates or superiors, lack of material support, namely equipment or support staff, lack of managerial leadership and competence or a lack of autonomy to get on and perform their job. The respondents' were also given the opportunity to add anything they wished to comment on regarding management development practices in Libya. The questionnaire used in this research was standardised as a measuring instrument and most importantly in conjunction with the other data collection tools used offered the best possibility of understanding the nature of a particular activity in terms of techniques, procedures and systems.

It was necessary to carry out a small-scale version of the real research so that its feasibility could be checked, Robson (2002). Yin (1994) distinguishes between 'pilot tests' and 'pre-tests'. He views the former as helping 'investigators to refine their data collection plans with respect to both the content of the data and the procedures to be followed'. What he calls the 'pre-test' is a formal 'dress rehearsal' in which the intended data collection plan is used as faithfully as possible, and is perhaps closer to the usual meaning of a pilot study. Piloting has a role in ensuring that the research

instruments as a whole function well and particularly crucial in relation to research based on the self-completion questionnaire, since there is no interviewer present to clear up any confusion. Also, in interviews, persistent problems may emerge after a few interviews have been carried out and these can then be addressed.

5.7.1. The Sampling Technique

According to Saunders et al (2003 p 151) “Sampling techniques provide a range of methods that enable you to reduce the amount of data you need to collect by considering only data from a subgroup rather than all possible cases or elements”. Additionally there are some research questions that will require sample data to generalise about all the cases from which the sample has been selected others may not require such generalisations. However, in undertaking case study research within a large organisation it is also necessary to select the case study (sample) organisation and a group (sample) of employees to question and managers to interview. Therefore techniques for selecting samples are very important. The sample size will depend on time, access to potential participants, planned methods of analysis, and the degree of precision and accuracy required. In general, the larger the sample the better, but beyond a certain point increasing the sample size has smaller and more marginal benefits (De Vaus 2001).

According to, Sekaran (2003 p. 269) “probability sampling designs are used when the representativeness of the sample is of importance in the interests of wider generalisability”, however when other factors such as time become critical, non-probability sampling is generally used. In an unrestricted probability sampling design, more commonly known as simple random sampling, every element in the population has a known and equal chance of being selected as a subject. This sampling design has the least bias and offers the most generalisability. However, the process can become cumbersome and expensive. As an alternative to the simple random sampling design, several complex probability sampling designs can be used. These probability sampling procedures offer a viable, and sometimes more efficient alternative to the unrestricted design.

The five most common complex probability sampling designs include systematic sampling, where “the population is divided by the required sample size (n) and the sample chosen by taking every ‘ n th’ subject”, Collis and Hussey (2003 p 155). In

stratified random sampling however the main feature is proportional representation of different groups within the sample, (Bryman 2001), but if this process of stratification is continued too far the research can end up with tiny groups that may not be representative of anything, Easterby-Smith et al. (2002). There are two other forms of sampling which also produce less representative pictures than the above methods these are quota and cluster samples. Quota sampling is a form of proportionate stratified sampling, in which a predetermined proportion of people are sampled from different groups, but on a convenience basis, Sekaran (2003). Cluster sampling is, on the surface, similar to stratified sampling as the population needs to be divided into discrete groups prior to sampling. The groups are termed clusters in this form of sampling and can be based on any naturally occurring grouping, Saunders et al. (2003). Cluster sampling involves making a random selection from a sampling frame listing groups of units rather than individual units. Every individual belonging to the selected groups is then interviewed or examined, Collis & Hussey (2003). This selection process makes cluster sampling a probability sampling technique, however, the technique normally results in a sample that represents the total population less accurately than stratified random sampling. Quota sampling is also type of purposive sampling, which ensures that certain groups are adequately represented in the study through the assignment of a quota. Generally, the quota fixed for each subgroup is based on the total numbers of each group in the population. However, since this is a non-probability sampling plan, the results are not generalisable to the population.

Non-probability sampling provides a range of alternative techniques based on the research's subjective judgement, this judgemental sampling technique; present the research with opportunity to select purposively and to reach difficult-to-identify members of the population. The term non-probability sampling, “ is essentially an umbrella term to capture all forms of sampling that are not conducted according to the canons of probability sampling”, Bryman (2001 p. 97) at least one of which—the quota sample—is claimed by some practitioners to be almost as good as a probability sample. Other forms of non-probability sampling include convenience sampling which involves choosing the nearest and most convenient persons to act as respondents. The process is continued until the required sample size has been reached. This type of sampling is sometimes used as a cheap and dirty way of doing a sample survey and there is no real way of knowing whether or not findings are representative, (Robson 2002). Alternatively snowball sampling can be used this is where the research identifies one or

more individuals from the population of interest and after they have been interviewed, they are used as informants to identify other members of the population who are themselves used as informants, and so on. Snowball sampling is useful when there is difficulty in identifying members of the population and can be seen as a particular type of purposive sample, (Robson 2002). Sampling is about finding a group to survey Non-probability sampling provides a number of alternative techniques based on the research's subjective judgement, this research judged that as the topic of management development was the main area of interest, all managers within both companies were asked to complete the questionnaire, the tools of analysis used will depend on whether quantitative or qualitative data has been collected.

5.8 Data Analysis Strategy

The analysis and interpretation of research data forms the major part of a research project the tools of analysis used will depend on whether quantitative or qualitative data has been collected, (Collis and Hussey, 2003). In regard to quantitative data analysis the data is usually numeric, (Williams, 2003) when the questionnaire is administered data is collected from a number of individuals and these are called cases. The data themselves consist of attributes, behaviours, attitudes and beliefs.

Before attempting any form of quantitative analysis it is important to be clear about the kind of data involved. The distinction between types of data is most important when statistics are used to summarise features of the sample. In this study data analysis was first carried out using descriptive statistics, looking at the frequency of the variables in the demographics data section of the questionnaire.

The numeric was collected as a result of the questionnaire, which consisted of attributes, behaviours, attitudes and beliefs. These become variables and the aim of data analysis was to discover the relationship between cases and variables and variables and variables. The data gathered as a result of the telephone interviews was qualitative and the main challenge to qualitative data analysis is that there is, "no clear and accepted set of conventions for analysis corresponding to those observed with quantitative data". (Robson, 2002:370).

5.8.1. Statistical Methods

The data from the questionnaire is designed for two types of responses (i) closed or direct answers for close questions; and (ii) extended responses for the open questions. To analyze the underlying data, four principal phases are followed for both types of questions. The first phase of the analysis is implemented by recording of the responses for each question. The second phase of the analysis is based on categorizing each of the responses. Then, the third phase is to develop the cluster of responses or ideas for the research questions.

After the questionnaire responses are recorded and categorized, the results are organized and demonstrated in the table of results. Some responses which are not subjected to categorization are also presented in the tables. To achieve this tabulation, it can be possible to find not only a quantitative data (namely frequencies or number of same responses for each of the questions), but also some qualitative data through the open-ended questions (namely descriptive ideas provided by respondents) as illustrated by sample descriptive quotation in the following result chapter.

For the final (forth) phase, the underlying data is transferred to a statistical software; namely SPSS, in order to start the computations. For presenting and describing the data obtained clearly and methodically in accordance with the research question, two major procedures of data analysis are applied: (i) Exploratory Data Analysis and (ii) Advanced Statistical techniques using Mann-Whitney test, factor analysis and logistic regression Test.

Reliability analyses as well as univariate analysis are to be carried out. Additionally to provide more sophisticated statistics factor analysis (FA) as a form of multivariate analyses and a multiple logistic regression are also to be carried out.

The reliability of the questionnaire is checked to see whether there is consistency in the measuring of the items (variables). Mann-Whitney test is used to evaluate the differences between the instruments (scale) and the company status (Libyan - Non Libyan influenced) because due to the ordinal nature of some of data which often can be skewed. The multivariate analysis or factor analysis (FA) is used to reduce the large amount of highly correlated variables into a smaller number of latent uncorrelated

variables (factors) in order to determine the factors affecting management development in the companies investigated in Libya. Logistic regression is applied in order to differentiate Libyan and Non Libyan companies using the resulting factors.

5.9 Credibility of Research Methodology

Anyone conducting research, no matter whether it is quantitative or qualitative, will need to demonstrate the credibility of their findings. It is considered good practice for a research project to provide sufficient information on the methods used and the justification for their use in order to demonstrate the credibility of its findings (Robson, 2004). Different research approaches have different inherent strengths and weaknesses, which need to be taken into account in relation to the goals of the research. In evaluating the credibility of the research methodology in deriving its findings, validity and reliability are commonly used as the evaluation criteria (Saunders et al, 2000).

From quantitative research, validity refers to whether the identified inputs within their attributes actually produce the expected output as well as the extent to which any research findings can be generalised or extrapolated beyond the immediate research sample or setting in which the research took place (Robson,2004). Reliability refers to the consistency of results obtained in the research, i.e. the reliability of the methods of collecting evidence (McNeill,1990) . Owing to its scientific background, validity and reliability ‘measure’ in quantitative methods have been very well defined and include construct, content related and criterion related in demonstrating validity whilst scoring agreement, test-retest, equivalent forms and internal consistency in demonstrating reliability (Sutrisna,2009).

Validity and reliability are perceived differently in qualitative research. Many qualitative researchers refuse to use the terminology (Sutrisna, 2009). As there is no clear and accepted single set of convention for analysis corresponding to those observed with quantitative methods (Robson, 2004), demonstrating credibility in qualitative research is commonly addressing issues about the quality of the data and the appropriateness of the methods used in carrying the research project. These are important particularly in the social sciences due to different philosophical and methodological approaches in studying human activity. In demonstrating the quality of qualitative data, it is not uncommon to demonstrate ‘triangulation’ of various data source thus provide results from different angles (Miles & Huberman, 1994). With

regards to ethical issues this can also be considered an essential component in demonstrating the credibility of the research findings. Ethical issues of research concern the appropriateness of the researchers' behaviours in relation to the rights of those subjects of the research or who are affected by the research (Saunders et al, 2000).

5.9.1 Validity and Reliability of the Questionnaire

To reduce the possibility of getting wrong results and to increase the credibility of the result findings, it is needed to pay attention to reliability and validity of the research instrument (Saunders *et al.*, 2000).

5.9.1.1. Reliability

Reliability is concerned with whether a study generates the same result on different occasions and by different researchers (Saunders *et al.*, 2000).

However, some stages, such as planning, designing, conducting, and analysis, were taken into account seriously to ascertain the reliability of this research. Saunders et al (2000) alleged that it is more likely to increase the validity and reliability of collection data by pre-test. Accordingly, a pre-test was conducted in this research.

- *Testing reliability*

Reliability is defined as an assessment of the reproducibility and consistency of an instrument. For self-complete questionnaires, two aspects of reliability should be examined:

1. Test-retest reliability by asking people to complete the questionnaire on two separate occasions approximately 3 to 4 weeks apart, assuming that their circumstances will not have changed in the interim then be compared statistically.
2. The internal consistency of the questionnaire can be determined by asking questions in more than one way during the questionnaire. The responses given can then be compared as mentioned before.

- *Testing acceptability*

Qualitative method can be used to assess acceptability of the questionnaire. According to Williams (2003), the subjected included in the pilot study should asked to write their comments about the questionnaire on a separate sheet or over the telephone how they found answering the questionnaire during the validity testing and how long it took them to complete the questionnaire.

According to Saunders et al. (2003), the design of a questionnaire will affect the response rate and the reliability and validity of the data collected, which can all be maximised by paying close attention to the design of individual questions, providing a clear layout of the questionnaire form, giving a lucid explanation of the purpose of the questionnaire, carefully planning and executing the administration of the questionnaire, and pilot testing it to remove any ambiguities.

In order to measure the validity of the questionnaire used in this study, number of procedures are followed in this research:

- As the questionnaire would be administered in Libya where Arabic is the native language, translation of the questionnaire from English to Arabic was an important issue. The questionnaire was translated into Arabic by the researcher and one English PhD students and then given to another translator to confirm the translation back into English. The aim of this is to validate the questionnaire and to avoid the potential confusion of each individual question which might lead to misinterpretation of the data. The translated version was then pre-tested (face validity) with selected potential informants. Pre-testing is an important step where the researcher can find problems of comprehension or meaning that were not identified previously (Douglas and Craig, 2007). A pilot survey was conducted to examine the validity of the questionnaire, (Evens 1984) stated; "A pilot study serves more than one purpose. In the first place it gives a chance to practice administering the tests. Secondly, it may bring to light any weakness in the procedures of Administration", (Oppenheim 1992) supports this idea.
- A draft version of the questionnaire was presented to experts similar to the target population for comments (Al- Awwad, 1991). The pilot questionnaire was designed and distributed to a number of contacts within the Libyan Upstream oil

companies seeking their comments. In the light of their comments some modifications were made.

5.9.1.2. Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2000). In this research, semi-structured interviews were used for helping establish content validity.

Bell (1993, P.84) indicated that "All data gathering instruments should be piloted to test how long it takes recipients to complete them, to check that all questions and instructions are clear and to enable you to removal of any items which do not yield usable data". A research tool should be tested on a pilot sample of members similar to the target population. This process will allow the researchers to identify whether respondents understand the questions and instructions, and whether the meaning of questions is the same for all respondents (Kelley et al, 2003).

Before starting the actual assessment process, the questionnaire was tested for clarity and applicability through a pilot study conducted with some people having the same characteristic of the target population.

- *Testing validity*

The questionnaire can be said to be 'valid' if it examines the full scope of the research questions in a balanced way, i.e. it measures what it aims to measure (Black *et al*, 1998). There are several aspects of validity that need to be tested. Criterion validity is assessed by comparing a new measure with existing 'gold standard' scale. The factual validity of a questionnaire can be assessed by comparing responses with information recorded from the organisation notes. The face validity of a questionnaire can be examined by interviewing people, either face-to-face or over the telephone, after the questionnaire have been completed, the responses they have given in the questionnaire will compare with their real opinions to assess if agree or disagree. When testing face validity, it is important to word the questions in the interview differently from those in the questionnaire Otherwise the testing will be reliability testing of the questions.

5.9.2 Testing for Normality and Reliability

Before considering the possible analysis of significance which could be carried out on the quantitative survey data, the distribution of this data was established. The normal distribution of data is a surprisingly common type of distribution and the special properties of this distribution are relied upon heavily by parametric tests. As a sample size increases, “the means of the samples taken from practically any population approach a normal distribution” Sekaran (2003, p. 267). There are many forms of statistical tests, that assume a normal population, but as they are quite robust, they are satisfactory even in the absence of exact normality (Suliman & Abdulla, 2005). The range and the inter-quartile range give an idea of the spread of a sample but most of the values play no role in calculating them. The standard deviation is a measure of variability that takes account of all the data in a sample and is only ever used for scale data and is usually the measure of variability reported with the mean. Although, a system of classification offers respondents a range of possible answers, as this research does, using a 5 point Likert scale from strongly agree to strongly disagree, it is possible to place all classifications in order, and is known as ordinal data (Easterby-Smith et al 2002). It is however difficult to be sure that the difference between ‘agree’ and ‘strongly agree’ is the same as the difference between ‘neither agree nor disagree’ and ‘agree’. If there is confidence that the interval between any certain variable is the same as between others this is known as interval data (Easterby-Smith et al 2002).

5.10. Summary

There are a number of methodological strategies which were considered at the start of this research. It was also necessary to consider how each of these strategies might be linked to a particular design or philosophy, but the research strategy chosen reflects the fact that careful thought was given to why the particular strategy was selected and includes valid reasons for the decisions made regarding the research.

The justification for the choice was based on the research questions and objectives and the fact that business and management research is often a mixture between scientific and social research. The philosophical stance taken to any research is known as the research paradigm and basically this means the assumptions about how the research views reality which subsequently influences on how the research is conducted, and the approach to the entire process of the research study.

The justification for this study comes from the increasing interest in management development and human resources development in general and Libya in particular, to develop, improve, and upgrade performance of human resources to achieve the required level of effectiveness, and to remain competitive in the world economy. Additionally as real world studies are very commonly evaluative; i.e. their purpose is to assess the worth or value of something, a flexible design was considered appropriate, because the specific focus of this evaluation was on two comparative cases.

Justification for the use of a case study design is that this is a tried and tested strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. For this research all the managers at each company were approached and asked to participate. Documentary evidence was also collected from each company and non participant observation was used to observe and record what people do in terms of their actions and their behaviour without the research being involved.

The main data collection tool was the questionnaire that was delivered by hand to each respondent and collected later. The main advantage being that all the completed responses could be collected within a short period of time and any initial doubts that the respondents might have on any question were clarified on the spot. The research was also able to introduce the research topic and motivate the respondents to offer their frank answers. Telephone interviews were used in retrospect to gather specific information regarding management development within the companies. The use of qualitative interviews by telephone was employed because of the advantages associated with access, speed and lower cost. With regards to data analysis strategy, the analysis and interpretation of this research data forms the major part of a research project the tools of analysis used will depend on whether quantitative or qualitative data has been collected.

The research considered development at both the individual as well as the organisational level. At the individual level management development was considered a process that included both formal and informal programmes by which managers gain the skills, abilities and knowledge to manage themselves and others and to perform effectively in managerial roles. At the organisational level, management development was considered

to be a process which could be planned or unplanned but in any case would be deliberate, that helps managers in the organisation to learn, grow, and improve and develop their experience, skills, abilities, ideas, knowledge, culture, personal identity and relationships, so they can contribute to the effective development for the achievement of organisational goals and strategies. The objective was to analyse the current management development practices in a Libyan organisation and explore the extent to which a typically Libyan approach to MD can be improved by transference of Western models. Because standardisation lies at the heart of survey research, the primary concern was to gather consistent answers to consistent questions. It was important therefore to standardise the questionnaire as a measuring instrument.

The sampling frame used and design of the questionnaire and its distribution all affect the response rate, the reliability and validity of the data collected. In addition the way the sample was selected, their responses collected, analysed and interpreted, and the consistency of the research lend credibility of the research findings. This research believes that the procedure would produce similar results under constant conditions on all occasions. In the final analysis the research process for this study offered validity, by establishing correct operational measures for the concepts being studied. There is analysis to establish whether a causal relationship, whereby certain conditions are shown to lead to other conditions. The studies finding should be generalisable to Libyan companies in general and the operations of this study could be repeated, at any of them with the same results. In the next chapter provides the cases to be studied are introduced and the documentary and anecdotal evidence concerning the value, contribution and purpose of management development within each company is presented.

CHAPTER SIX

THE CASES STUDIED

6.0. Introduction

In this chapter the cases studied are presented as are their operations under the NOC a brief history of the oil industry in Libya is provided to start, but the majority of the information has been collected from NOC Reports, Company websites, documentary evidence collected from the companies and telephone interviews carried out with managers. The analysis from the cases studied is also presented.

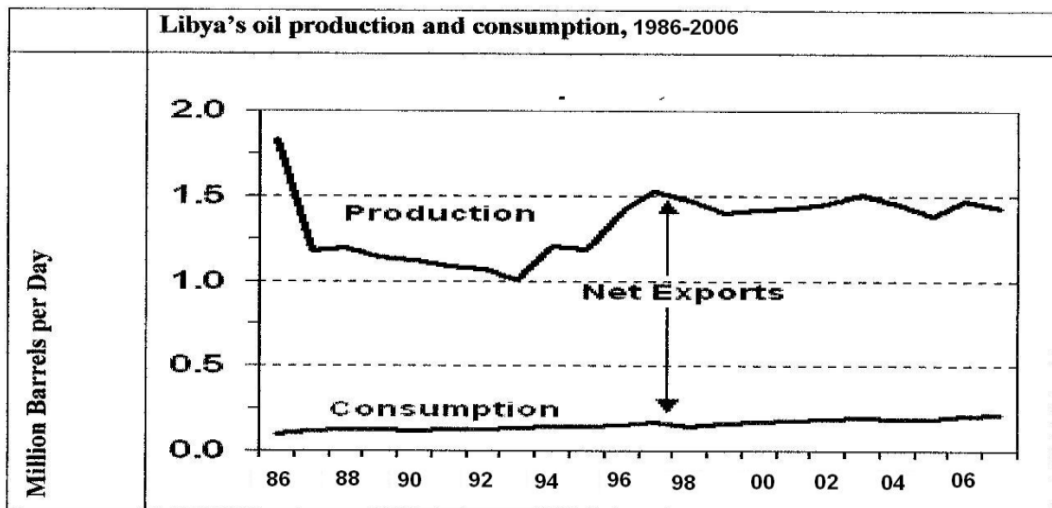
In Libya oil exploration started in 1955, in April the national petroleum law.No.25 was performed. In 1959 the first oil fields were discovered at Amal and Zelten, and oil exports started in 1961.Gannous (1988) mention the top priority was given to oil and gas industries by Libyan government from its very early days due to its great importance for Libya's economy, and consequently brining about complete control over them, which was previously run by foreign companies. Libya's oil industry is running by National oil corporation (NOC), along with smaller subordinate companies, which shared account for around half of the country's oil output. There is several exploration/production international oil companies are in agreements with NOC such as Italy's Agip-Eni, which has been operating in Libya since 1959. There is many US oil companies such as Exxon and Mobil withdrew from Libya, after a US trade embargo begun in 1981.

Today in Libya there is an increased interest in allowing foreign companies to help to raise the country's oil production capability in order to make Libya's oil production capability return back to the point of the early 1970s. Libya has invited many foreign oil and gas companies to a meeting to discuss issues related to exploration and production sharing agreements in May 2000. Libya will require large investment in order to develop its oil and gas sector target in order to meet the country's development plan requirement. Next year's expansion of natural gas production is the highest priority for Libya for many reasons such as, Libya has aimed to use natural gas instead of oil domestically, freeing up more oil for export.

Libya has large natural gas reserves and is looking to raise gas exports, particularly to Europe. In recent years large new discoveries have been made in the Ghadames and El-

Bouri fields, as well as in the Sirte basin. Libya also produces a small amount of liquefied petroleum gas (LPG), most of which is consumed by domestic refineries (Quinlan, 2004). According to Global Security, Org (2006) the main advantage of Libyan crude oil is high-quality, low-sulphur ("sweet") crude oil at very low cost. During the first half of 2003, Libyan oil production was estimated at nearly 1.5million bbl/day, an increase from 2002 levels but still only about two-fifths of the 3.3million bbl/day produced in 1970 (Porter and Yergin,2006). Figure 6.1 represents Libya's oil production and consumption, 1986-2006. Libya is a major oil producer but much of its wealth has been squandered over the years (Almhdie, 2003). Despite efforts to diversify its economy, the hydrocarbons sector still accounts for 95% of total exports (much of it to Spain and Italy), 30% of GDP and 75% of total fiscal revenue", (Official Energy Statistics from the U.S Government).

Figure 6.1: Libya's Oil Production and Consumption, 1986-2006



Source: The National Oil Corporation (NOC) 2007

The Oil Industry in Libya is controlled through NOC, this organisation performs it's duties through its fully owned companies and through partnership with foreign companies. There are upstream as well as downstream oil companies. The upstream oil companies produce crude oil and natural gas. The downstream oil companies constitute refineries, services and marketing companies. The upstream oil companies are divided into two types, National Oil Companies and Multi-national Oil Companies (see appendices Nine). This research has selected one national and one multi-national to get a full understanding of MD practices and policies in Libyan upstream oil companies and to see any similarities or differences regarding MDPs in the selected organisations. There could be differences regarding MD practices between national and multi-national

companies operated in the upstream oil activities. Differences may arise in company structure, Strategy and Management Style. For instance, in multi-national companies, such as Repsol Oil Operations, the management committee consists of foreigners and Libyans, whereas in national upstream oil companies such as Waha oil company, they consist of only Libyans (NOC,2009)

- Waha Oil Company, as a national company has been in operation for about 50 years; hence it has good experience regarding training and development (Ghait, 2005). It is one of the major national companies in Libya.
- Repsol Oil Operations is the largest multi-national company operating in Libya, this company is sending many employees for training and development programmes to build-up its manpower, in order to meet the calibre required for each activity in the company (Eshtiwe, 2005).

Both of the companies to be investigated are controlled by the National Oil Corporation (NOC). They are considered in greater detail in section 6.2 and 6.3.

6.1. The National Oil Corporation

The National Oil Corporation (NOC) was established under law No.24 of 1970, issued on 12th November 1970, in order to replace the General Libyan petroleum corporation which was established under Law No.13 for 1968 issued on 14th April 1968. In addition to the authorities of the previous corporation, new ones were delegated to NOC. This enabled it to face the massive and rapid development in the oil industry in a more flexible manner, and to keep abreast of the changes in this international industry. The NOC was reorganized under a decision taken by the General Secretary of the General Secretariat of the General People's Congress, No.10 of 1979. The reorganization was meant to enable NOC to achieve the goals of the transformation development plans in the oil sector. It was designed to support the national economy through the increase, management and investment of the oil wealth inside and outside the GSPLAJ through its fully owned companies, or in partnership with others. In 1986, the General People's Committee issued its Decision No.158 concerning the Re-allocation of the authorities of the Secretariat of Petroleum (SOP). A considerable part of the authorities were delegated to the NOC.

The NOC performs its duties listed in the laws and bylaws of its inception, through its fully owned companies which vary in activity from operating and producing companies, to refining, processing and domestic / international marketing companies, to various service companies. Moreover, NOC performs some of its activities through partnership with foreign exploration, production and specialized oil service companies. According to Porter and Yergin (2006) Libya's oil and gas sector has the potential to raise production to above 3MM barrels per day (mbd) and about 6.5 billion cubic feet (Bcf) per day by 2015 if oil prices were to remain at USD 40 per barrel, the national share of net cash flows from oil and gas production over the next ten years would be USD 90Bn higher than from keeping production flat. Gas production at this level would be sufficient to meet all domestic needs, as well as doubling the present level of commitments to gas exports. A considerable increase in funding is required for oil and gas upstream activities, in comparison to the recent past.

The National Oil Corporation's (NOC's) annual budget for capital and operating expense would have to be almost USD 3.5Bn a year. This is nearly double current levels, but could yield attractive returns i.e., an additional USD 9Bn per year of net cash flows. (Quinlan,2004) Consideration could also be given to different arrangements for dividing the costs of future investment between NOC and the international oil companies (IOCs). In any case, an extra USD 500MM per year is needed, compared to present levels, just to keep production from falling. (Porter and Yergin,2006) Amongst the producing, processing, marketing, distributing and service companies in the Oil Sector, there are approximately 44679 employees in 2007. The human resource is considered by the NOC as the most important element in the whole production process. As a result, full attention has been paid to the preparation and implementation of continued and varied educational and training programmes. For example, since 1975 the NOC has prepared a number of training programmes in the discovery, exploration, and maintenance areas of the oil industry. These programmes have aimed to reduce the numbers of overseas employees and replace them by Libyan workers. They have also improved living standards and work conditions for Libyan workers, as well as increasing efficiency and productivity in the oil industry. Overall, the training activities of the NOC aimed to raise the level of competence and efficiency of the manpower both technically and administratively. They have ensured awareness and familiarisation with

technological developments; and methods and work systems are applied in the oil industry at an international level NOC (2009).

6.1.1. Problems of Providing Manpower in the Oil Sector:

There are a number of problems in providing manpower in the oil sector these include NOC (2009)

- Low level of education and training, output which forced companies to develop training programs for rehabilitation, long-term and cost a lot of money.
- The difficulty of obtaining foreign expertise and specialized especially the petroleum industry is characterized by advanced and innovative techniques of the time needed to prepare national elements, which are qualified
- High rates of wastage of experienced and well rehabilitation and the difficulty of preparing the elements of alternative terms that would require a long time and high cost.

Under the provision of training of local and national elements the NOC annually accepts a specific number of students obtaining the certificate of completion of a basic education and offers facilities to prepare for their entry into disciplines needed by the oil companies (see Tables below). The NOC operates its own institute, this Institute was developed to train and prepare employees for the extractive oil industry in those important disciplines that serve the drilling activities, production, welding machines, safety and other requirements. However companies needed first-class production workers and managers to support them. The total number of students and trainees during the academic year 2007 was 216. The numbers of students who graduated from the Institute during the years 2003-2007 are (1170) and they have been the placed as can be seen in table 6.1:

Table 6.1: Number of Students Graduated During 2003-2007

Year	2003	2004	2005	2006	2007	Total
Number of graduates	241	223	259	231	216	1170

Source: NOC Annual Report (2009, p105)

Table 6.2: Number of Technician Graduated During 2003-2007

Year	2003	2004	2005	2006	2007	Total
Number of graduates	184	153	149	179	136	801

Source: NOC, Annual Report (2009, p.106)

The total number of technicians during the academic year 2007 was 136 (see table 6.2). There have been 801 technicians who have graduated from the institute during the years 2003-2007 and they have been given placements in the oil companies. Plans for training and development in the oil sector in 2007 show a figure of (6918) candidates for training within the Libya, during the year however (7123) trainees were sent on training courses this is an implementation rate of (103%) .Table 6.3 reflects the growing interest to take advantage of all the training possibilities available within Libya during 2003 to 2007.

Table 6.3: The Percentage of Planning and Implementation of TDPs

Year	Planned	Implemented	Percentage of Implementation
2003	6613	8973	136%
2004	6395	7381	115%
2005	6395	7603	119%
2006	6602	7254	109%
2007	6918	7123	103%
Total	32923	38334	116%

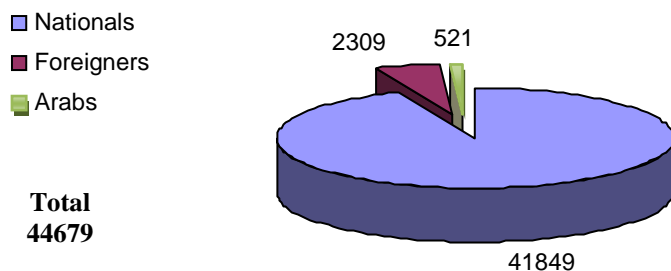
Source: NOC Annual Report (2009, p106)

As a result of the lack of local training programmes, the NOC seriously began to consider overseas training programmes in 1975, since then it has aimed to benefit from any international modern technical training which helps to develop exploration, operations, and maintenance fields, and thereby improves the oil industry. Because the Libyan industry has been characterised by complicated technology and a management structure which witnessed many changes and constant development, as already indicated, it became important to utilise whatever overseas advanced training opportunities were identified as appropriate, and consequently, many Libyan nationals have benefited from such training programmes in different technical fields. The plan for training and development in the oil sector in 2007 was to train 1541 production staff

outside Libya in technical and specialised fields was there was no possibility for them to be trained locally. There were actually 1361 training opportunities taken up abroad this was 88% of the target for the year, NOC (2007).

Figure 6.2 : Training and Development Plan 2007

Manpower in the Oil Sector



Source: NOC, Annual Plan of Training and Development (2007,p3).

Table 6.4: Human Resources in Oil Sector (2007) According to Nationality

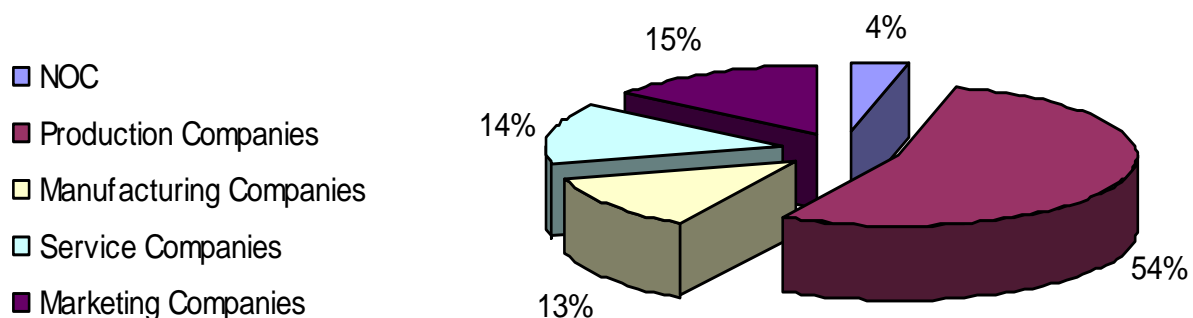
Rating Manpower	Nationals		Arabs		Foreigners		Total
	Number	Percentage %	Number	Percentage %	Number	Percentage %	
NOC	1820	98.0	19	1.0	19	1.0	1858
Production Companies	21847	91.8	272	1.1	1692	7.1	23811
Manufacturing Companies	5621	94.8	69	1.2	239	4.0	5929
Service Companies	5676	91.6	161	2.6	359	5.8	6196
Marketing Companies	6885	100.0	0	0.0	0	0	6885
Total	41849	93.7	521	1.1	2309	5.2	44679

Source: NOC, Annual Report (2007, p87)

Libya's oil industry is running by national oil corporation, along with smaller subordinate companies, which shared account for around half of the county's oil output. The NOC performs its duties through its fully owned companies, with the total number

of 44679 employees, NOC (2007) among them are 41849 nationals, 2309 foreigners and approximately 521 Arabs see figure 6.2. These companies are vary in activity from operating and producing companies, to refining, processing and domestic/ international marketing companies, to various service companies (see Table 6.4).

Figure 6.3: Human Resources in Oil Sector (2007) According to the Companies' Activities



Source: NOC, Annual Report(2007,87).

Figure 6.3 shows that National oil corporation performs some of its activities through partnership with foreign exploration, production and specialized oil service companies, and some of domestic manufacturing, marketing, production and service companies. In relation to the company's activities, nearly more than half of the human resources in the oil sector were from production companies, followed by the marketing companies (Figure 6.3).

According to the aims and objectives of The NOC its duties include:

- Modernizing and developing training and development activity according to modern standards.
- The development of supervisors and managers, including employment target for the development of leadership posts in the levels of supervisory, middle and senior management.
- Technical development and specialized segment includes engineers and professionals in professional specialization and professionalism.
- Vocational Training and development includes employment segment of graduates from colleges and higher institutes and operators in the areas of production, operation and maintenance.

NOC Annual Report (2007 p. 99)

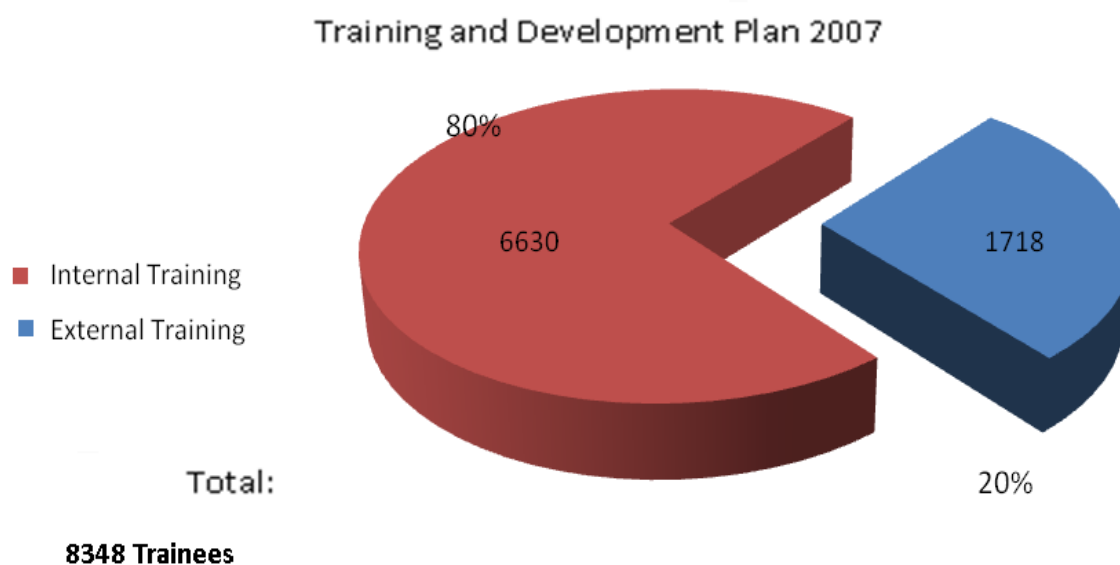
Table 6.5: General Analysis of the Plan for Training and Development in the Oil Sector

1- Employees	
• Nationals	41849 by 93.66%
• Arabs	521 by 1.16%
• Foreigners	2309 by 5.16%
2- Total of employees in training and development plan: 8348 trainees	
• Percentage of the total national workforce	20 %
• Percent of total workforce	19.7 %
3- The number of employees in training and development inside Libya: 6630 trainees	
• Their Percentage of the total plan	80%
4- The number of employees in training and development outside Libya: 1718 trainees	
• Their Percentage of the total plan	20%
5-The duration of training	
• Total duration of internal training	10665 months
• The average duration of internal trainee	6 weeks
• Total duration of external training	9195 months
• The average duration of external trainee	21 weeks
6-a Areas that need training- Internal training:	
• Technical areas	3114 trainees by 46.96%
• Administrative areas	707 trainees by 10.66%
• Financial areas	208 trainees by 3.13%
• Computer areas	995 trainees by 15.00%
• English Language	1046 trainees by 15.77%
• Various seminars	389 trainees by 5.86%
• Self-development	144 trainee percentage 2.17%
6-b Areas that need training- External training:	
• Technical areas	1233 trainees by 71.76%
• Administrative areas	294 trainees by 17.11%
• Financial areas	138 trainees by 8.03%
• Computer areas	53 trainees by 3.08%
7-Training Fees	
• Internal training -Estimated fees	7,512,910 Libyan Dinar
• External training -Estimated fees	19,370,883 Libya Dinar
• Total fees	26,883,793 Libyan Dinar
• The average cost per internal trainee	1133 Libyan Dinar
• The average cost per external trainee	11275 Libyan Dinar

Source: NOC Annual Report (2007 p 101)

The NOC was reorganized under a decision taken by the General Secretary of the General Secretariat of the General People’s congress, No.10 of 1979. The reorganization was meant to enable NOC to achieve the goals of the transformation development plans in oil sectors. It was designed to support the national economy through the increase, management and investment of the oil wealth inside and outside Libya through its fully owned companies or in partnership with others. The National Oil Corporation has considered the human resources as the most important element in the whole production process. As a result, full attention has been paid to the preparation and implementation of continued and varied educational and training programmes. For example, in 2007 the NOC has prepared a number of training programmes in the areas that need training inside and outside Libya for the total number of 8348 trainees (see table 6.5).

Figure 6.4: Training and Development Plan 2007

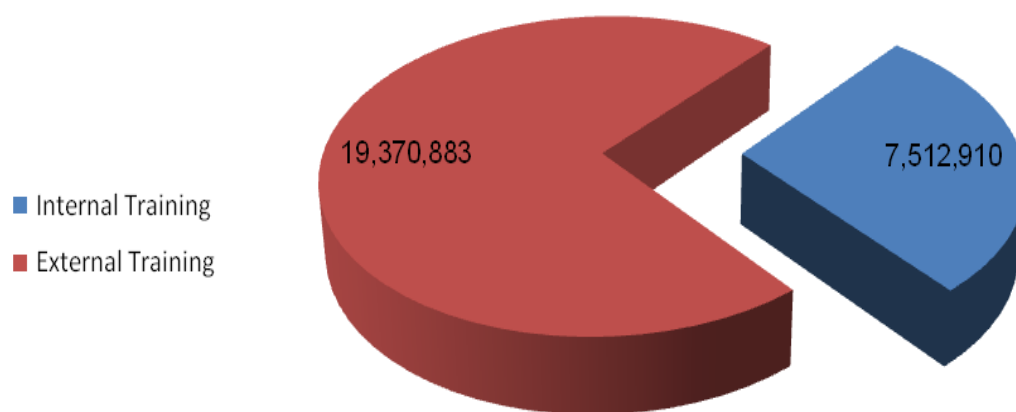


Source: NOC, Annual Plan of Training and Development (2007, p18).

The training and development programmes that have been prepared by NOC have aimed to reduce the numbers for foreigners employees and replace them by Nationals workers. Plans for training and development in the oil sector in 2007 show a figure of 8348 trainees for internal and external training as we can see in figure 6.4 for example, the number of 6630 trainees have been prepared within Libya for internal training

programmes, during the year however 1718 trainees were sent on training courses for external training programmes. As a result, NOC has paid more attention to the preparation and implementation of internal training programmes because of the huge budget and more expense of external training programmes as shown in figure 6.5 with estimated fees of DL19,370,883 for external training programs and DL7,512,910 for internal training programs.

Figure 6.5: Estimated Fees for Training and Development Programs 2007.



Source: NOC, Annual Plan of Training and Development (2007 p.19)

The NOC organises, controls and funds training and development throughout the oil sector. There are requirements stipulated that indicate the numbers and proportions of employees who will be trained each year and whether this training is to take place internally or externally. Individual companies submit their annual training plans to the NOC for approval.

6.2. Case A: WAHA Oil Company

The Waha Oil Company is one of the major national companies engaged in the field of oil and gas production in Libya, its incorporation date was in 1955, when it was then known as The Oasis Oil Company at that time it was incorporated as an operator for three American companies (Fituri,1992).

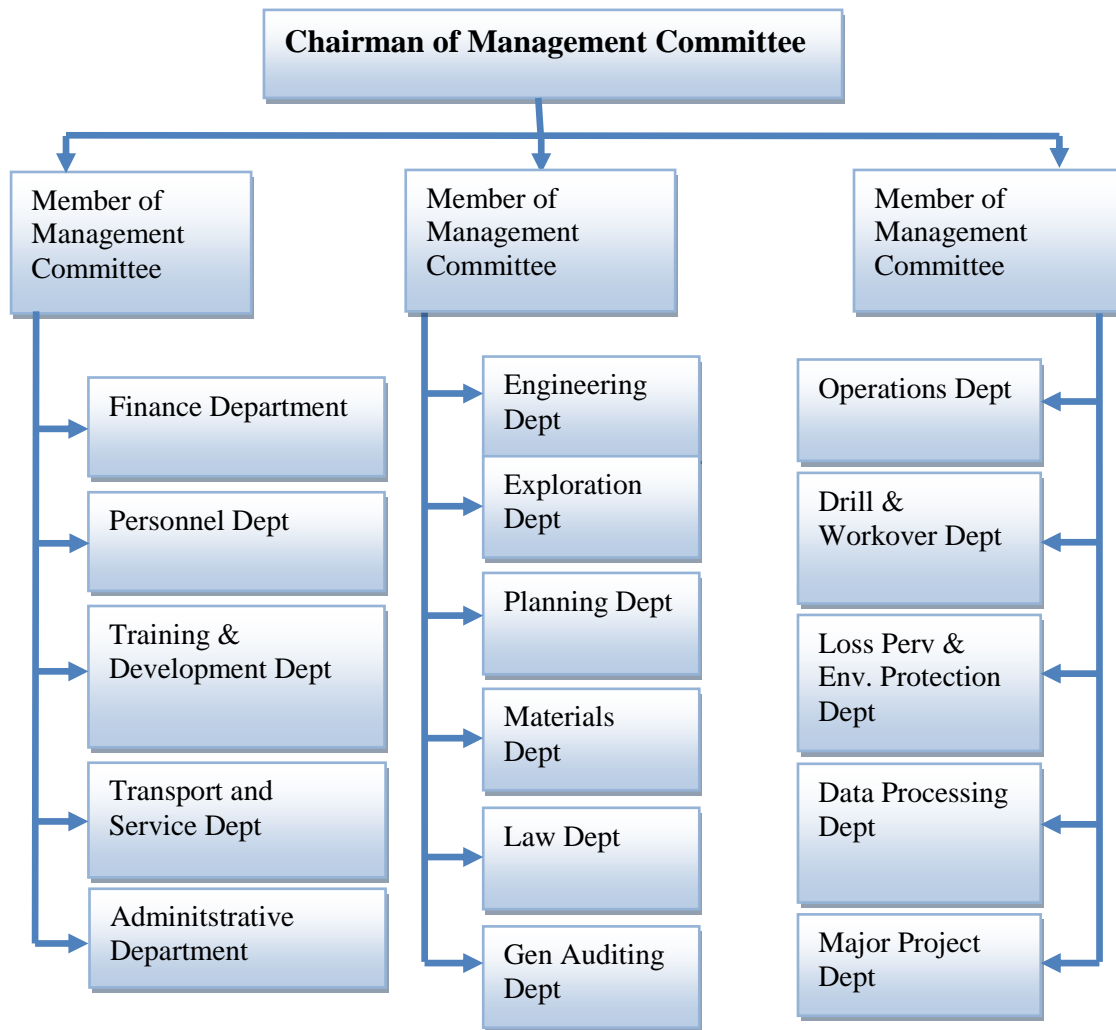
Following the imposition of sanctions, Oasis and other the partners in the consortium concluded “standstill” agreements with NOC that provided for them to retain title ownership to their concessions and other assets but to relinquish all operational and financial responsibilities, NOC Report (2009). The agreements were concluded for three years, but the Libyan government never reassigned ownership of these properties to other companies, making it possible for U.S. companies to resume their activities in the country after sanctions were lifted. An agreement between the Oasis Group and the NOC was signed by the beginning of 2006, according to which Oasis will return to Waha concessions in Libya. NOC will hold a 59.16% interest, ConocoPhillips and Marathon Oil will each hold a 16.33% interest, and Amerada Hess will hold an 8.16% interest. The concessions cover a vast acreage located in the Sirte Basin, which is one of the most prolific oil and gas-producing areas in Libya, containing sizeable undeveloped oil and gas resources, NOC (2009).

Table 6.6: Human Resources in the Waha Oil Company (2007)

Company	Manpower			Total
	Nationals	Arabs	Foreigners	
Waha	2988	30	199	3217

Source: NOC, Annual Report (2007 p.88)

Figure 6.6: Management Structure of the Waha Oil Company.



Source: Waha Oil Company Annual Report (2010)

Manpower at the Waha Oil Company numbers 3217, NOC (2007) among them are a number of 2988 are Libyan, 30 Arabs and the number of foreigners is 199 (See Table 6.6). The total number of manpower at this company is distributed into around 19 main departments with different management areas (see figure 6.6). The Company has a training centre which provides local training to company staff in many professions. This company has a long history in oil training since it was operated by the Oasis Group, as they sent many high school graduates to the UK and USA for education and training. The Training Department undertakes the supervision and execution of both local and oil training plans for the company employees along with the preparation of studies and programmes relating to other areas of training and development. There is very limited information on companies available in Libya in Table 6.6 and also in Figure 6.6

information from published annual reports are provided. All of the managers listed were contacted and asked to take part in the research.

6.2.1. Training and Development within the Company

As part of the study at the Waha Oil Company as well as asking managers to complete a questionnaire 10 managers were contacted by telephone and asked a number of questions directly related to training and development within the company. In Table 6.5 respondents answers to these questions are presented, while their detailed comments on the training departments systems and the statistics for participation in management development are cited in the main text.

Table 6.7: Waha Managers Responses to Interview by Telephone (March, 2012).

Question	Resp 1	Resp 2	Resp 3	Resp 4	Resp 5	Resp 6	Resp 7	Resp 8	Resp 9	Resp 10
1. Does the company have its own training department?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. How many members of staff are there in your department?	45	45	45	110	50	118	22	135	230	320
3. How many employees are involved in management training at the moment?	35*	25*	35 *	9*	6	32*	28	25	25*	34*
4. Is most training carried out internally or externally?	Both	Both	Both	Both	Both	Both	Both	Both	Both	Both
5. Is most training carried out on-the-job or off-the-job?	Both	Both	Both	Both	Both	Off-the-Job	Off-the-job	Off-the-Job	Off-the-Job	Off-the-Job
6. Do trainees have to make a contribution to the cost of their training?	No	No	No	No	No	No	No	No	No	No
7. Are they expected to repay any training costs when they leave?	Yes, if they do not meet contract requirements	Yes, if they do not meet contract requirements	No	Yes, if they do not meet contract requirements	No	No	No	No	No	No
8. Is there any assistance from government towards costs of training?	Yes	Yes we get support from the NOC	Yes	Yes	Yes	Yes	Sometimes	Yes	Yes	Yes
9. How important would you say management development was to this company?	Really Important	Very important	really important	Very important	Really important	Really important	Very important	Really important	Very important	Very important
10. Can you provide me with any further details on the following-	Details of the in-depth answers to these questions are cited in the main text of the chapter									
A- Outline of training departments/systems										
B- Statistics of participation in management development										

- Respondents were interviewed from a variety of differently sized departments

6.2.2. Outline of the Training Department

The Training Department within the company is responsible for developing plans and training programs and is allocated an annual budget. According to the responses to the general questions asked of them by telephone respondents pointed out that although training at Waha was generally carried out both internally and externally. There was a tendency in some departments for training to be more likely to take place off-the-job. There was no requirement for employees to contribute to the cost of their training but in certain circumstances, typically when the candidate did not fulfill the terms of the training contract, they would be required to repay any training costs when they left the company. The Waha Oil Company is generously funded by the NOC to ensure nationally proscribed training targets are met in every instance the manager interviewed expressed the importance of management development to the company.

The general duties of the Training Department include:

1. Preparing of the annual training plan for the company.
2. Follow-up implementation of annual training plans for the company.
3. Evaluation of training programmes to take advantage of good programmes
4. Assessment of training institutions who deal with the company internally and externally.
5. Ensure the benefit from the programmes and activities of training centres.
6. Ensure the benefit from the programs and job training activities with foreign Companies.
7. Supervise the training of new graduates.
8. Participate in Conferences and scientific seminars of training and development internally and externally.

(Information from telephone interviews March, 2012).

The company increased its attention on development to prepare the annual training plan requirements that are made by the main departments and are expected to raise the efficiency of workers and increase their productive capacities as well as to impose the preparation and rehabilitation of national competencies to replace foreign expertise and management activities, (Information from telephone interviews March, 2012). This training plan is prepared according to directives issued by the General People's Committee and the competent authorities, and stresses the emphasis on training within Libya and the benefits from the training possibilities available. The focus in the oil sector and in the national workforce is to develop 20% of the total national workforce annually, (Information from telephone interviews March, 2012).

Table 6.8: Internal Training and Development Plans for the Waha Oil Company
According to (Numbers, Durations and Estimated fees 2007)

Company	Trainees	Duration (week-months)	Estimated fees for training (L.D)
Waha	1336	3013	2,600,000

Source: NOC, Annual Plan of Training and Development: I.T (2009 p.10)

Table 6.9: External Training and Development Plans for the Waha Oil Company
According to (Numbers, Durations and Estimated fees 2007)

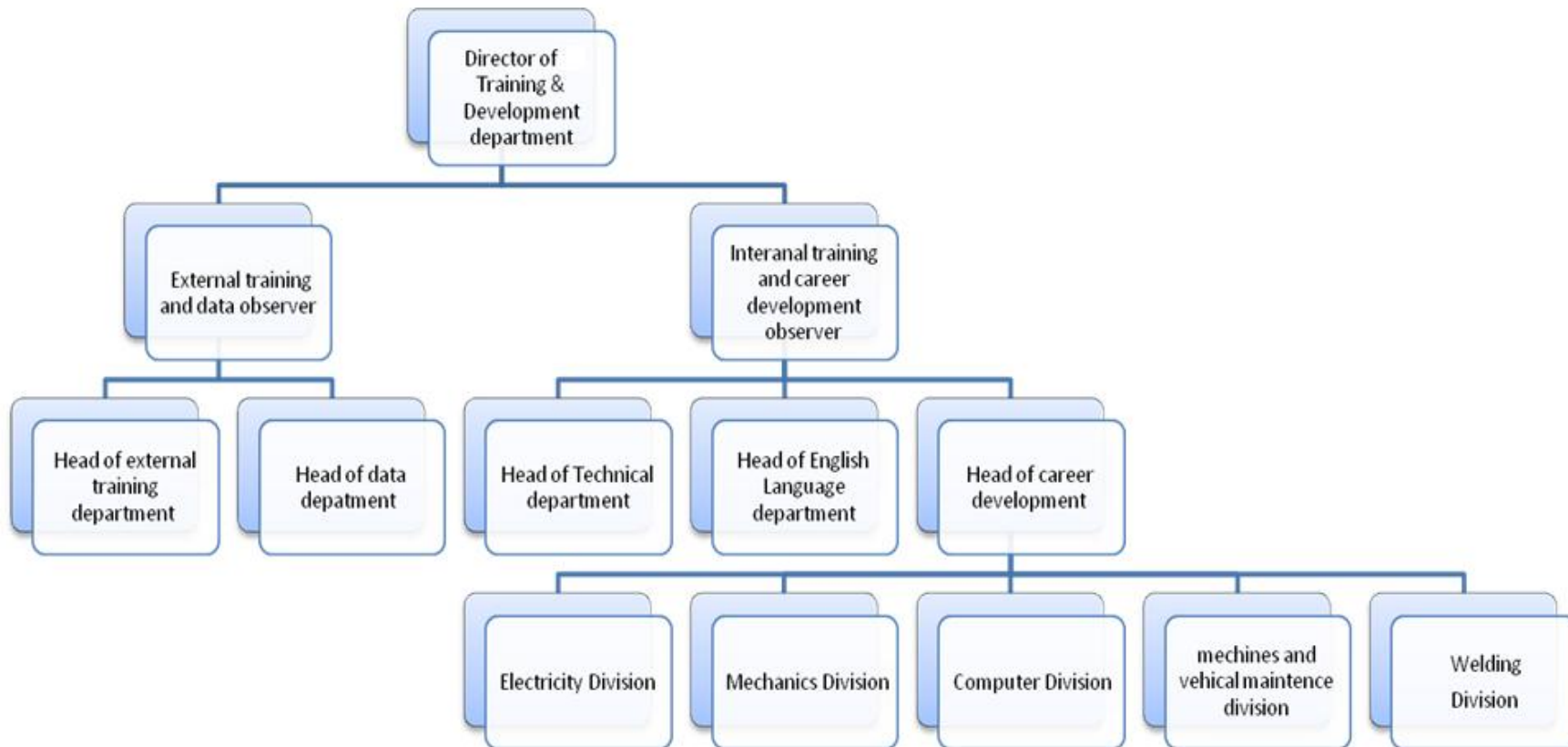
Company	Trainees	Duration (weeks-months)	Estimated fees for training (L.D)
Waha	152	1256	2,900,000

Source: NOC, Annual Plan of Training and Development: E.T (2009 p.14)

Training in the company is divided into two types' external training and internal training (see Tables 6.8 and 6.9). According to the training policy it says that 20 % of the company is subject to training annually and that 80% of that number should be trained internally and the other 20% are externally, (Information from telephone interviews March, 2012). The company annually trains about 1300 users inside Libya and also about 150 to 200 abroad. The company is committed to implementing all laws and regulations governing the conditions to be applied in the programs and activities of internal and external training, the trainee nomination system where all departments and the main subsidiary company follow the conventional method, (Information from telephone interviews March, 2012).

Waha Oil Company is one of Libya's biggest companies with distinctive training programs and both internal and external development among its training programs. According to figure 6.7 we can see that the training and development department is one of the largest departments at the company. There are around 12 differently sized departments, divisions and sections with different managerial and technical areas. The company prepares graduated students from universities and higher institutes in overseeing the management of training and development of training programs in several areas including, for example: petroleum engineering, geology, geophysics, Law, accounting and the secretary, (Information from telephone interviews March, 2012).

Figure 6.7: The Organisation Structure of Training and Development Department of The Waha Oil Company (2010)



Source: Waha Oil Company Report (2010)

6.2.3. Training Plan in the Waha Oil Company

The company has a long history in oil training and development since it was operated in 1955 as the Oasis Oil Company. This company has a centre and an institute for training and development programmes and to provide local training to company staff in many professions, among its training programs, there are both internal and external training programs which are provided in several areas, for example, in the company's training plan there are some areas which need training (see table 6.10), these areas of internal training plans including seven areas which need training with the total number of 1336 trainees.

Internal Training

- Expanding training and local development also exploiting all the possibilities available in the training center of this company to train employees and within Libya.
- Placement of the number of graduates from universities, higher and medium institutes of the company in technical or professional jobs which require their presence as intensive courses in English language and specialized seminars.
- Implementation of several programs of intensive training to prepare elements of alternative waste technical elements of the recall qualified but are not limited to communications and engineering programs of exploration, operating, safety and industrial safety and different maintenance programs. (WOC, 2008).

Table 6.10: Internal Training Plans for the Waha oil Company According to Areas that Need Training 2007:

Company	Areas							Total
	Substantive	Administrative	Financial	Computer	English Language	Various Seminars	Self-Development	
Waha	218	69	-	205	543	301	-	1336

Source: NOC, Annual Plan of Training and Development (2009)

Waha Oil Company is committed to implementing all the programs and activities of internal and external training to raise the efficiency of workers and increase their productive capacities as well as to impose the preparation and rehabilitation of national

competencies to replace foreign expertise and management activities. The company prepares graduated students from universities and higher institutes in overseeing the management of training and development programs in several areas including, for example: substantive, administrative, financial and computer (see table 6.11) there is a total number of 152 trainees in the areas which need training for external training programmes.

External Training:

- Allow for the number of 49 trainees in the development programs and refresher function within no more than 4 weeks of the categories of middle senior management.
- Allow for the number of 61 trainees in development programmes and rehabilitation of up to 41 weeks.
- Allow for the number of 73 trainees in rehabilitation programs in 52 weeks (WOC, 2008).

Table 6.11: External Training Plans for Waha Oil Company According to Areas that Need Training 2007

Company	Areas				Total
	Substantive	Administrative	Financial	Computer	
Waha	121	12	7	12	152

Source: NOC, Annual Plan of Training and Development (2009)

The training and development in Waha Oil Company undertakes the supervision and execution of both the internal and external training plans for the company employees along with the preparation of studies and programmes relating to different areas of training and development. Table 6.12 shows that, in 2007 the training and development planes for internal and external training in Waha Oil Company was to train 1488 trainees among them are 1336 for internal training and approximately 152 for external training. As a result of the lack of local training programmes, Waha Company has considered overseas training programmes to benefit from any international modern technical training which helps to develop exploration, operations and maintenance

fields, and thereby improves the oil industry. However, because of several difficulties and the huge budget and more expenses of external training programmes compared with the internal training programs as shown in table 6.13, for example, the estimated fees for external training is LD 2900000, whereas the fees for external training programs LD 2600000.

Table 6.12: Training and Development Plans for Internal and External Training in Waha Oil Company 2007

Company	Overall manpower	Total trained	Internal training		External training	
			Number	Duration (months)	Number	Duration (months)
Waha	3217	1488	1336	3013	152	1256

Sources: NOC, Annual Plan of Training and Development (2009 p.18)

Table 6.13: Estimated Training and Development Fees in Waha Oil Company in Libyan Dinar (2007)

Company	Internal	External	Total
Waha	2600000LD	2900000LD	5500000LD

Source: NOC, Annual Plan of Training and Development (2009 p.20)

The company increased its attention on training and development programmes to prepare the annual training plan requirements which are made by the main departments. The training and development department within the company is responsible for developing plans and training programs and is allocated an annual budget. Waha Oil Company prepares its employees and graduated students from different educational institutions from primary school to higher degrees for both internal and external training programs (see table 6.14). As the company sent many high school graduates to the UK and USA for education and training, this table shows the qualification for trainees who are involved in both internal and external training and the average cost per one trainee for training and development programs inside and outside Libya.

Table 6.14: Waha Oil Company Statistics (2007)

Manpower in the Company 3217 users	
The covered trainees of training and development of the total manpower in the company is 49.5%.	1593 trainees
The covered trainees of internal training and development plan and their percentage of the total is 43.8%.	1410 trainees
The covered trainees of external training and development plan and their percentage of the total is 5.6%	183 trainees
The covered trainees of internal training and development plan of the main departments of the total is 28.4%	915 trainees
Total duration of training and development and the percentage of training duration in the main departments is 63%.	18804 weeks
Qualification for Trainees Who Are Involved in Training and Development (Internal Training)	
The number of trainees with university and higher degrees	367 trainees
The number of trainees with higher education qualifications	184 trainees
The number of trainees with medium Institutes or medium education	468 trainees
The number of trainees with secondary school qualifications	150 trainees
The number of trainees with primary school qualifications	154 trainees
Qualification for Trainees Who Are Involved in Training and Development (External Training)	
The number of trainees with university and higher degrees	92 trainees
The number of trainees with higher education qualifications	23 trainees
The number of trainees with medium Institutes or medium education	59 trainees
The number of trainees with secondary school qualifications	2 trainees
The number of trainees with primary school qualifications	6 trainees
Training Fees	
1-Internal training	1,600,000 LD
2-External training	7,200,000 LD
Total Fees	8,800,000 LD
3-User average share of the company's training budget	3,072 LD
4-The average cost per one trainee of Training and development Plan	5,524 LD
5- The average cost per one internal trainee	1,135 LD
6- The average cost per one external trainee	39,344 LD

6.2.4 Summary of Case A: The Waha Oil Company

Among the 3217 employees at Waha are 199 foreigners there is a company training centre which provides local training to company staff in many professions. The Training Department undertakes the supervision and execution of both local and oil training plans for the company employees along with the preparation of studies and programmes relating to other areas of training and development. This department is responsible for developing plans and training programs and is allocated an annual budget. Although training at Waha was generally carried out both internally and externally there is a tendency in some departments for training to be more likely to take place off-the-job.

Increased attention to the preparation of an annual training plan is expected to raise the efficiency of workers and increase their productive capacities as well as to impose the preparation and rehabilitation of national competencies to replace foreign expertise and management activities. This training plan is prepared according to directives issued by the General People's Committee and stresses the emphasis on training within Libya and the benefits from the training possibilities available. According to the national training policy 20% of the company's employees are subject to training annually and 80% of that number should be trained internally and the other 20% are trained externally. The company annually trains about 1300 employees inside Libya and 150 to 200 employees go abroad for their training. The company is committed to implementing all laws and regulations governing training. Waha Oil Company is one of Libya's biggest companies with distinctive training programs and both internal and external development.

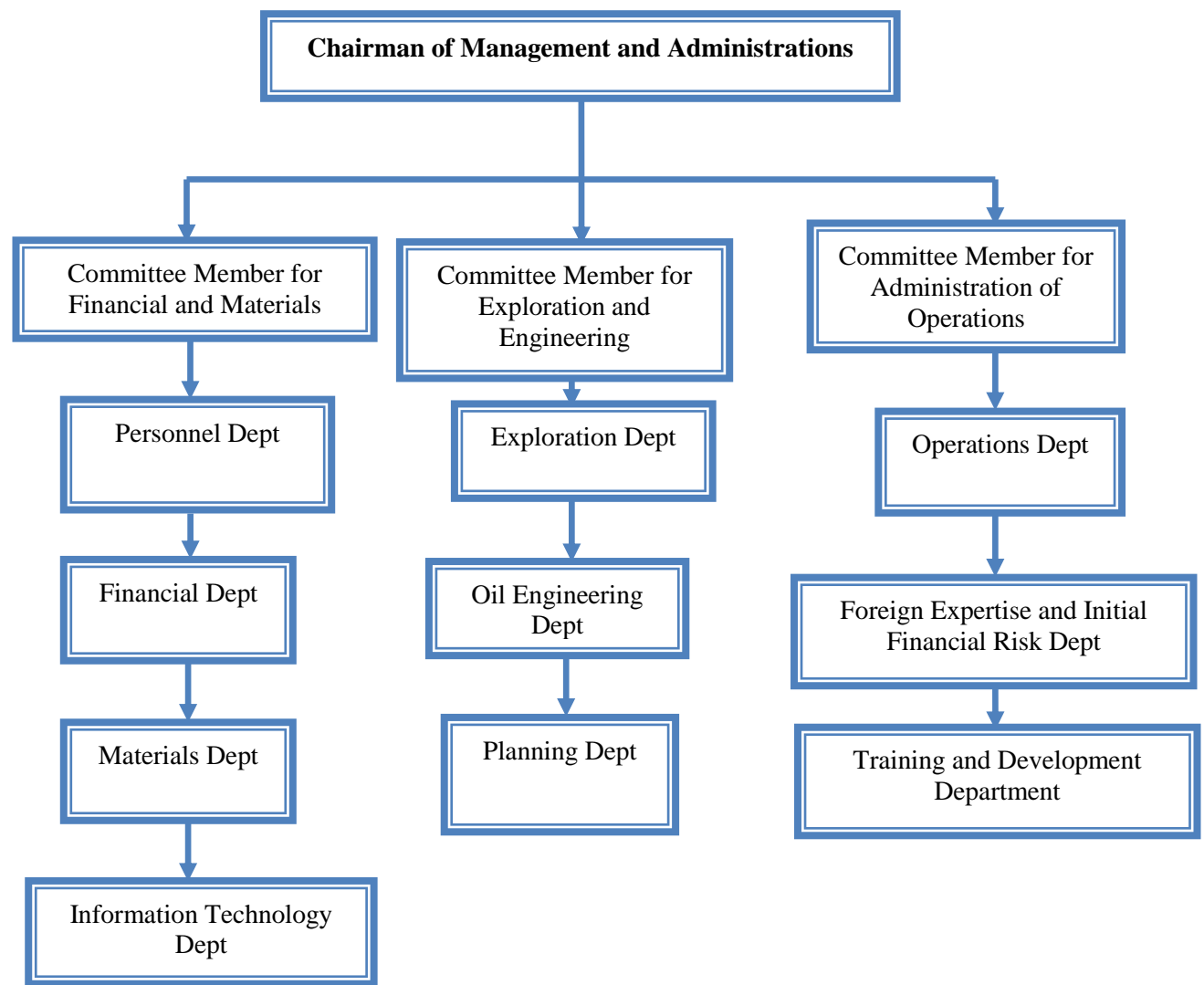
Although Waha is totally owned and controlled by the NOC the other case to be studied is part operated by a consortium of European oil companies and is operated as a joint venture in partnership with the NOC.

6.3. Case B: REPSOL Oil Operations

There is very limited information on companies available in Libya information from published annual reports are provided. All of the managers listed were contacted and asked to take part in the research. The company was established by virtue of an exploration and production sharing agreement (EPSA) between the national oil corporation and the European companies union (REPSOL, OMV, TOTAL) which was approved by the general peoples committee, resolution number 802/1423 issued on

06/12/1994 (Eshtiwe,2005). Accordingly, the resolution number 228 /1424 was issued by the secretary of the general peoples committee for the economy and commerce on 11/04/1995 to open a branch of the Swiss company Repsol oil operations. Repsol commissioned three oil fields in NC-I I 5 (A, B, and H) on December 12, 1996, and hired most of its senior maintenance specialists from other Libyan oil companies. However, this number is now shrinking as more Libyans are being trained in Britain and Ireland (ROO, 2006). In early 2005 Repsol unveiled a strategic plan for the period 2005-2009 that included an allocation of \$1.9 billion for upstream operations in Libya and Algeria. Of that total, 21% is earmarked for exploration activities, including finance for the drilling of fifty-eight wells in Libya, NOC Report (2009).

Figure 6.8: Company Structure of REPSOL Oil Operations



Source: Repsol Oil Operations Annual Report (2010)

Because Repsol was a grass root entity started by a chairman, all experienced (senior) employees were recruited from the other oil companies such as Zuitina, Sirte and Alkhaleej Al-Arabi. The company's manpower amounted to about 750 employees in 2007, among them about 7 Arabs and the Foreigners are 50, the rest number of Nations is 693 (see table 6.15). The number of human resources in Repsol Oil Operations is distributed throughout the main 13 departments with different management areas (see figure 6.8). The Repsol Oil Operations is a joint venture owned in partnership by the Libyan NOC (75%) and the REMSA consortium (25%) and is steered by two committees: the owners' committee which approves company policies, organisation structure, budget, etc., and the management committee, led by a chairman, which manages the daily operation of the company. The REMSA consortiums (25%), stake is divided as follows: 40% Repsol YPF (Spain), 30% Total (France), and 30% OMV (Austria) NOC (2007).

Table 6.15: Human Resources in Repsol Oil Operations 2007

Company	Manpower			Total
	Nationals	Arabs	Foreigners	
Repsol	693	7	50	750

Source: NOC, Annual Report (2007 p. 88)

Despite directives from the National Oil Corporation on the need to focus on training and development both internally and externally however, training and development abroad requires certain of the following facts:

- Failure to provide some appropriate areas for training locally and the need to implement the programs advanced and sophisticated external views of internationally recognized expertise and advanced training in the process.
- Procurement of new techniques has been obtained from the wasting and supply contracts that included a training component and a national machineries and equipment without costs.

- Development of new projects and seek glory for the maintenance of major factories of the company's operation and fully high rates of industrial safety and preventing losses.

6.3.1. Training and Development within the Company

As part of the study at the Repsol Oil Operations as well as asking managers to complete a questionnaire 10 managers were contacted by telephone and asked a number of questions directly related to training and development within the company. In Table 6.16 respondents answers to these questions are presented, while their detailed comments on the training departments systems and the statistics for participation in management development are cited in the main text.

Table 6.16: Repsol Managers Responses to Interview by Telephone (March, 2012)

Question	Resp 1	Resp 2	Resp 3	Resp 4	Resp 5	Resp 6	Resp 7	Resp 8	Resp 9	Resp 10
1. Does the company have its own training department?	Yes	Yes	Yes it does	Yes	Yes	Yes	Yes	Yes	yes	Yes
2. How many members of staff are there in your department?	12*	12*	12*	25*	13*	5*	12*	25*	5*	25*
3. How many employees are involved in management training at the moment?	6	2	2	15	13	5	2	5	25	5
4. Is most training carried out internally or externally?	Both	Both	Both	Both	Both	Both	Both	Both	Both	Both
5. Is most training carried out on-the-job or off-the-job?	Both	Both	Both	Both	Both	Both	Both	Both	Both	Both
6. Do trainees have to make a contribution to the cost of their training?	No	No	No	No	No	No	Yes	No	No	No
7. Are they expected to repay any training costs when they leave?	Sometimes if they do not fulfil the contract	No	Only if they do not meet their contract requirements	Sometimes	No	Sometimes	No but if they were trained for too long they have to repay	No	Yes	No
8. Is there any assistance from government towards costs of training?	Yes	Yes of course	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. How important would you say management development was to this company?	Very important	Very important	Very important	Really important	Very important	Very important	Really important	Very important	Very important	Very important
10. Can you provide me with any further details on the following-	Details of the in-depth answers to these questions are cited in the main text of the chapter.									
C- Outline of training departments/systems										
D- Statistics of participation in management development										

- Respondents were interviewed from a variety of differently sized departments

6.3.2. Outline of the Training Department

The Training Department within the company is responsible for developing plans and training programs and is allocated an annual budget. According to the responses to the general questions asked of them by telephone respondents pointed out that training at REPSOL was generally carried out both internally and externally as well as on and off-the-job. There was one of the respondents who stated that trainees contribute to the cost of their training in certain circumstances. Additionally at REPSOL typically when the trainees did not fulfill the terms of the training contract, or if they took too long on their courses they would be required to repay any training costs when they left the company. The Repsol Oil Operations receives funding from the NOC to ensure nationally proscribed training targets are met in every instance the manager interviewed expressed the importance of management development to the company.

Repsol Oil Operations was established by virtue of an exploration and production sharing agreement between the National Oil Corporation and the European Companies Union. This company increased its attention on training and development programs to prepare the annual training plan requirements which are made by the main departments. The training and development department plans, programs and an annual budget, for example, table 6.17 and table 6.18 show internal and external training and development plans for the company according to numbers of trainees and duration and fees of training and development programs.

Table 6.17: Internal Training and Development Plans for Repsol Oil Operations
According to (Numbers - Durations – Estimated Fees 2007)

Company	Trainees	Duration (week-months)	Estimated fees for training (L.D)
Repsol	95	125	56,250

Source: NOC, Annual Plan of Training and Development (2009 p. 10)

Table 6.18: External Training and Development Plans for Repsol Oil Operations
According to (Numbers-Durations- Estimated Fees 2007)

Company	Trainees	Duration (weeks-months)	Estimated fees for training (L.D)
Repsol	48	337	462,000

Source: NOC, Annual Plan of Training and Development: (2009 p.14)

The Chairman of Management and Administrations in the company supports the preparation of the training plan for each department separately and that plan includes training and development both inside and outside the company. This plan is then forwarded to the Administrative Committee, which in turn refer all plans returned from departments to the Department Training and Development in the company, to prepare according to regulations issued by the General People's Committee and the National Oil Corporation consistent with training needs and development of the sector companies, (Information from telephone interviews March, 2012). The Department also works in cooperation with Elfath University, to assist the student during the training period so as to select the best of them after graduation to work within the company. Figure 6.9 shows the structure of the Training and Development Department of Repsol Oil Operations. This department is consists of five different sized departments, division and section with different management and technical areas.

Figure 6.9: The Organisation Structure of TD Department of Repsol Oil Operations 2010



Source: Repsol Oil Operations Report 2010

According to the aims and objectives there are a number of tasks and functions of the Department of Training & Development, as follows:

- 1- Creating a workforce qualified and trained and sophisticated as the methods and scientific and technical standards required in the labour market locally and globally
- 2 - Raising the level of prosperity among career workers and thus achieving the best results
- 3 - Targeting to achieve security and safety and the environment through providing training programmes and development actors in order to create employment of skilled and trained according to local and international standards required in the petroleum industry
- 4 - Readiness to rehabilitate and develop the ranks of deliberate artistic and

administrative leaders to ensure work as outstanding performance consistent mechanization and modern management, (Information from telephone interviews March, 2012).

Below are some terms that need to be followed when selecting the trainee for the internal and external training courses:

- Training and development department in the company considers the specifications and conditions acceptable for the nomination of the internal trainees, candidates annual reports are taken into account as is their knowledge of the English language. The company has contacts with the University of Cambridge in UK from any level to (IL) KET and given as the primary and often gives precedence to the graduates of universities and higher institutes of English language programs. The graduates level of learning and training will be taken into account as will their age, which should not exceed 55 years.

6.3.3 Training Plan in Repsol Oil Operations

Training and Development within the company is important and concerned with training and development both internally and externally (see the tables below). The company pursues job training outside work and the proportion of training and development covered by the annual plan is as follows:

- The plan must be ensure to increase the development of about 20% workers of the total company annually.
- The proportion of those trained internally must be 80% of the total covered by the plan
- The proportion of those trained externally 20% of the total covered by the plan
- Main departments are allocated 75% of the total training and development budget and 25% goes to support and service departments.

(Information from telephone interviews March, 2012).

Repsol Oil Operations is the largest multi-company operating in the Libyan oil industry, in this company human resource is considered as the most important element in the production process. As a result, full attention has been paid to the training and development programs inside and outside Libya, this company is sending many employees for training and development programmes as a commitment to implementing all the programmes and activities of internal and external training to raise the efficiency of employees and increase their productive capacities. Repsol Oil Operations works in cooperation with Elfath University, to assist the student during the training period to select the best of students in order for them to be employed. According to internal and external plans for the company in 2007, there are around 13 areas which need training for both internal and external (see table 6.19 and table 6.20).

Table 6.19: Internal Training Plans for Repsol Oil Operations According to Areas that Need Training 2007:

Company	Areas							Total
	Substantive	Administrative	Financial	Computer	English Language	Various seminars	Self-development	
Repsol	22	-	-	-	8	65	-	95

Source: NOC, Annual Plan of Training and Development: IT (2007 p.11).

Table 6.20: External Training Plans for Repsol Oil Operations According to Areas that Need Training 2007:

Company	Areas				Total
	Substantive	Administrative	Financial	Computer	
Repsol	38	4	1	5	48

Source: NOC, Annual Plan of Training and Development: ET (2007 p.15)

In Repsol Oil Operations the department of training and development undertakes, the full supervision and execution of internal and external training plans for the company

staff, and it prepares some studies and programmes relating to different areas of training and development. In 2007, the training and development plans for internal and external training in the company were to train 143 trainees among them 95 for internal training and 48 for external training (see table 6.21). Repsol Oil Operations considers overseas training and development programmes because of the lack of national training programmes to benefit from any international modern technical training which helps to improve the operations. However, as a result of several obstacles , expenses and the huge budget of external training programmes than the internal training programmes as we can see in table 6.22, for example, the estimated fees for external training is LD 462000, whereas the fees for internal training programmes only 56250.

Table 6.21: Training and Development Plans for Internal and External Training in Repsol Oil Operations 2007

Company	Overall national manpower	Total trained	Internal training		External training	
			Number	Duration (months)	Number	Duration (months)
Repsol	750	143	95	125	48	337

Sources: NOC, Annual Plan of Training and Development (2007 p.18).

Table 6.22: Estimated Training and Development Fees in Repsol Oil Operations in Libyan Dinar (2007):

Company	Internal	External	Total
Repsol	56250	462000	518250

Source: NOC, Annual Plan of Training and Development (2007 p. 20)

6.3.4 Summary of Case B: Repsol Oil Operations

There are 750 people employed at Repsol, 50 of these employees are foreigners. The Repsol Oil Operations is a joint venture owned in partnership by the Libyan NOC (75%) and the REMSA consortium (25%) and is steered by two committees: the owners' committee which approves company policies, organisation structure, budget, etc., and the management committee, led by a chairman, which manages the daily operation of the company.

The Training Department within the company is responsible for developing plans and training programs and is allocated an annual budget. Training is generally carried out both internally and externally as well as on and off-the-job. Trainees are expected to contribute to the cost of their training in certain circumstances. Additionally when the trainees do not fulfill the terms of the training contract, or if they took too long on their courses they would be required to repay any training costs when they left the company. The Repsol Oil Operations receives funding from the NOC to ensure nationally proscribed training targets are met.

The Chairman of Management and Administrations in the company supports the preparation of the training plan for each department separately and that plan includes training and development both inside and outside the company. This plan is prepared in accordance to the regulations issued by the General People's Committee and the National Oil Corporation consistent with training needs and development of oil sector companies. The Training Department also works in cooperation with Elfath University, to assist the student during the training period so as to select the best of them after graduation to work within the company.

6.4. Analysis of the Data Collected from Each of the Cases Studied

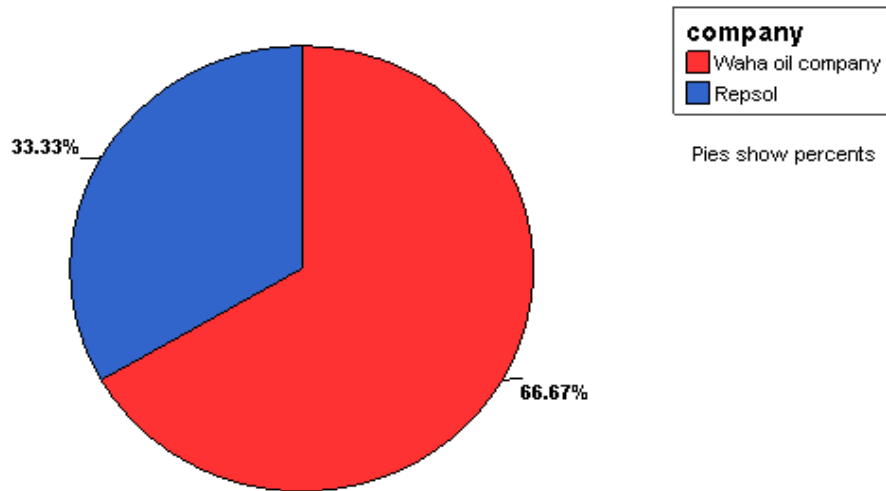
This section of the chapter presents the results of the quantitative data. Data analysis from each of the cases was first carried out using descriptive statistics, looking at the frequency of the variables in the demographics data section of the questionnaire by means of pie graphs. Reliability analyses using the Cronbach's alpha as well as univariate analysis were carried out. Multivariate analyses such as Factor analysis (FA) and multiple logistic regressions were also carried out. All the previously mentioned analyses were performed with the SPSS1 Version 18.0 software and the statistical package 'Stata' version 11.

6.4.1. Descriptive Statistics

In relation to the company variable, there were Sixty-Four (64) managers with some level of knowledge of management development at Waha Oil Company whereas Thirty-Two (32) managers of Repsol Oil Operations completed the questionnaire. Nearly more than half of the participating (66.67 %) were from Waha Oil Company, followed by the Repsol Oil Operations (33.33%) Figure 6.10 below illustrates this. As a

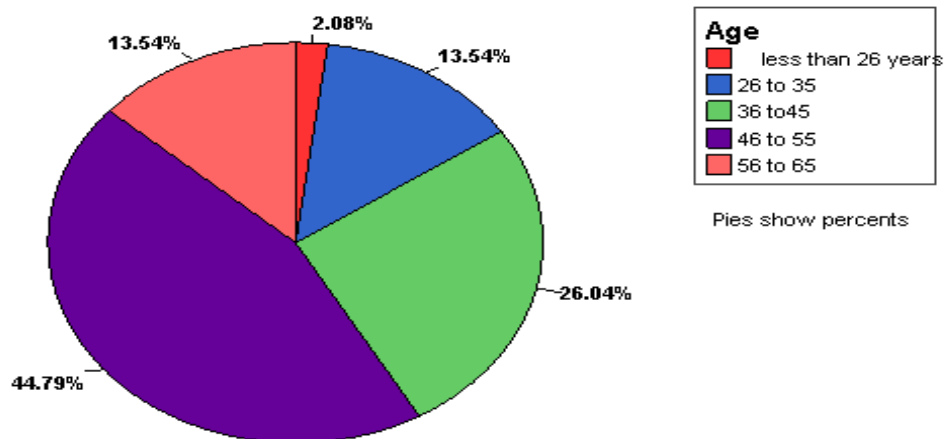
result of the size of Waha Oil Company departments the managers who participated in this study were more than the managers of Repsol Oil Operations.

Figure 6.10: Pie Chart for Company



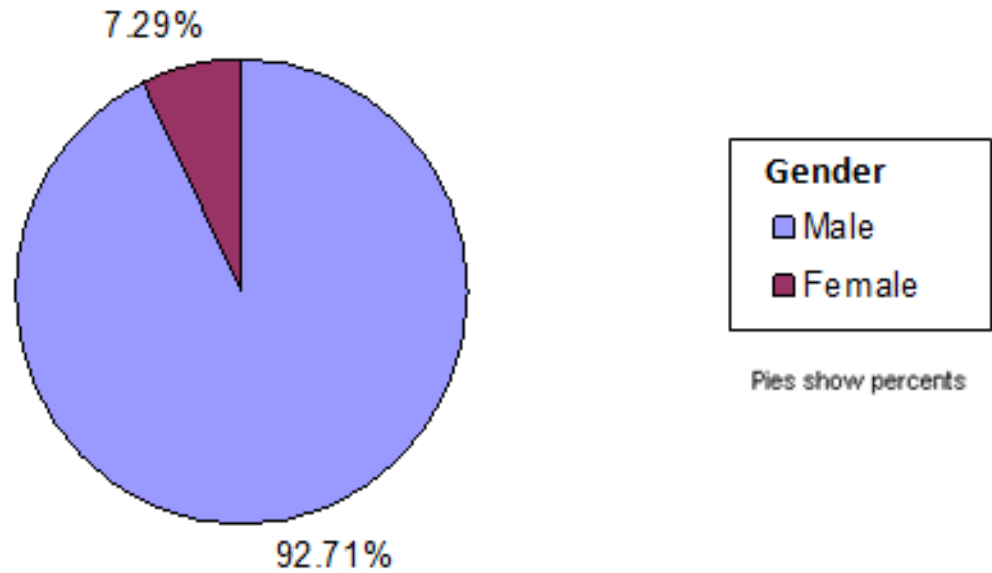
With regard to the age groups, the majority of participants (44.79%) belonged to 46-55 age groups, as shown in Figure 6.11 below. Then, (26.04 %) of the total participants had lies in age group of 36-45. Nearly (13.54 %) of them were found in the age group of 26-35 and 56-65. The age range of remaining participants (2.08%) was less than 26 years old. It was clear that the seventy one percent (71%) of the respondent are middle aged 36 to 55 years old.

Figure 6.11: Pie Chart for Age



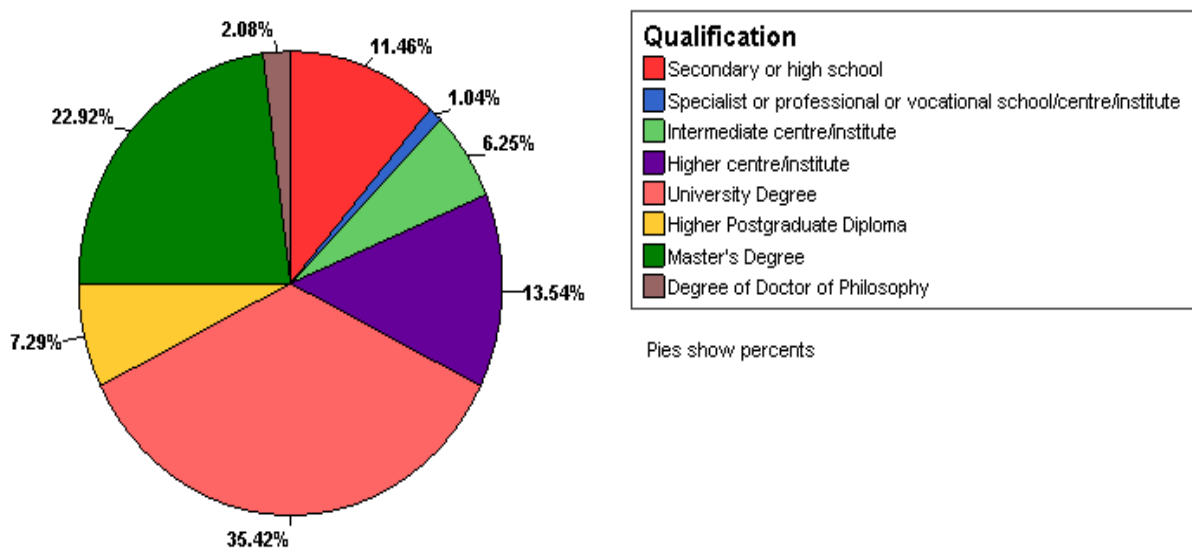
A total of 96 managers were participated in the study. Of which, (92.71%) were male while (7.29%) were female, see Figure 6.12 bellow.

Figure 6.12: Pie Chart for Gender



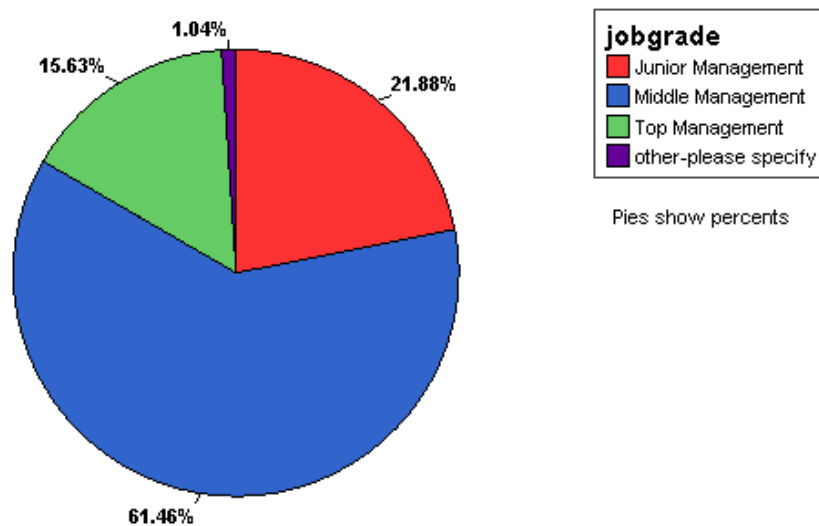
As shown in Figure 6.13 below, the participants were a highly educated. The vast majority of the participants (35.42%) had a relevant university degree, followed by Master degree (22.92%) and few PhD holders (2.08%).

Figure 6.13: Pie Chart for Qualification



In relation to the levels of job, nearly more than half of the participating (61.46 %) were middle management, followed by junior management (21.88%) and top management (15.63%), Figure 6.14 below illustrates this.

Figure 6.14: Pie Chart for Job Grade



6.4.2. Reliability Analysis

The reliability of the questionnaire is to be checked whether there is consistency in the measuring of the items (variables). A measuring tool for this purpose is the Cronbach's alpha (α), which can be interpreted as the percent of variance the observed scale would explain when compared to all possible other scales measuring the same object and using the same number of items. A scale is simply the sum of the individual item scores. The cut-off criterion for this measure is 0.70, as agreed by most researchers. Table 6.23 shows a run of the Cronbach's alpha on the 71 items of our questionnaire with a value of 0.934 which is highly satisfactory by reference to the cut-off criterion.

Table 6.23: Cronbach's Alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.934	71

The high value of α demonstrates that the 71 items are measuring the same construct. Removing any item from the analysis did not significantly increase nor decrease the value of the overall α . The high value for α can also be due to redundancy (similarity) of some of the questions, therefore a look at separate α for each battery (subsets) of questions will enable us to point out differences in consistency. Table 6.17 is showing the Cronbach's α coefficients for the thirteen subsets. The figures in bold are the calculated α , for each subset, while the other figures in the column 'Cronbach's alpha' are the value of α if the corresponding question was removed. Also, inter-item correlation measuring the correlation of corresponding item with the other items is presented. Low correlation indicates that the item of interest has weak relationship with the whole items of a particular subset, and hence, the α would increase if this item is removed. We can also see that there are 3 out of 13 subsets with a value of α between 0.63 and 0.64. Since no improvement in these subset is observed using inter-item correlation to remove weak items, all items are kept. As a result, factor analysis methods using principal component analysis (PCA) will enable us to select which item would stay and which one would be removed.

Table 6.24: Statistics for Reliability

Item	Inter-item Correlation	Cronbach's Alpha
Awareness (Q9)		0.7414
Q9_1aware	0.8410	0.6110
Q9_2aware	0.8548	0.6025
Q9_3aware	0.8559	0.6046
Q9_4aware	0.6022	0.7551
Q9_5aware	0.4034	0.8410
Training (Q10)		0.6458
Q10_1train	0.4825	0.6646
Q10_2train	0.5487	0.6408
Q10_3train	0.7500	0.5144
Q10_4train	0.7357	0.5211
Q10_5train	0.6875	0.5914
Manager development (Q11)		0.8408
Q11_1MD	0.8152	0.7949
Q11_2MD	0.8409	0.7836
Q11_3MD	0.8434	0.7823
Q11_4MD	0.8858	0.7636
Q11_5MD	0.5390	0.8975
Reason for MD (Q12)		0.8468
Q12_1Reason	0.8140	0.8036
Q12_2Reason	0.8377	0.7944
Q12_3Reason	0.7200	0.8669
Q12_4Reason	0.8256	0.7994
Q12_5Reason	0.7885	0.8142
Company procedure (Q13)		0.8879
Q13_1Proc	0.8098	0.8693
Q13_2Proc	0.7699	0.8902
Q13_3Proc	0.8746	0.8490
Q13_4Proc	0.8718	0.8484
Q13_5Proc	0.8379	0.8601
Area of MD (Q14)		0.7698
Q14_1AreaMD	0.8318	0.6688
Q14_2AreaMD	0.6625	0.7588
Q14_3AreaMD	0.7672	0.7099
Q14_4AreaMD	0.8180	0.7053

Training evaluation (Q15)		0.6336
Q15_1EvalT	0.7805	0.4612
Q15_2EvalT	0.7431	0.4877
Q15_3EvalT	0.7671	0.4743
Q15_4EvalT	0.5057	0.7744
Location of training for MD (Q17)		0.8396
Q17_1LocMD	0.7210	0.8399
Q17_2LocMD	0.7420	0.8489
Q17_3LocMD	0.8577	0.7729
Q17_4LocMD	0.8058	0.7940
Q17_5LocMD	0.8180	0.7864
Method of MD (Q18)		0.6425
Q18_1Metho~D	0.6455	0.5730
Q18_2Metho~D	0.6704	0.5663
Q18_3Metho~D	0.7204	0.5371
Q18_4Metho~D	0.7464	0.8418
Q18_5Metho~D	0.7453	0.5182
Factors affecting MD (Q21)		0.8772
Q21_1facto	0.6087	0.8642
Q21_2facto	0.6091	0.8644
Q21_3facto	0.6784	0.8596
Q21_4facto	0.7717	0.8520
Q21_5facto	0.7803	0.8515
Q21_6facto	0.7939	0.8496
Q21_7facto	0.7403	0.8545
Q21_8facto	0.6895	0.8587
Q21_9facto	0.5683	0.8713
Q21_10facto	0.6595	0.8628
Q21_11facto	0.5052	0.8820
Internal Factors affecting MD objectives (Q22A)		0.8303
Q22A_1inte	0.7205	0.8127
Q22A_2inte	0.7766	0.7911
Q22A_3inte	0.7353	0.8052
Q22A_4inte	0.8399	0.7665
Q22A_5inte	0.8094	0.8048
External Factors affecting MD objectives (Q22B)		0.8562
Q22B_1exte	0.7625	0.8351
Q22B_2exte	0.7807	0.8299
Q22B_3exte	0.6915	0.8444
Q22B_4exte	0.7689	0.8376
Q22B_5exte	0.7704	0.8290
Q22B_6exte	0.8219	0.8166

Factors affecting performance (Q24)		0.9282
Q24_1facti	0.7636	0.9310
Q24_2facti	0.8390	0.9175
Q24_3facti	0.9059	0.9056
Q24_4facti	0.9189	0.9032
Q24_5facti	0.8772	0.9114
Q24_6facti	0.8368	0.9198

6.4.3. Mann-Whitney Test

As the responses for each item are mostly respondent's attitude using the scale "Strongly disagree" to "Strongly agree", non parametric test such as Mann-Whitney was used to evaluate the association between the instruments (scale) and the company status (Libyan - Non Libyan influenced). Also, non parametric test is used because of the ordinal nature of the data which is often skewed. Notice that the overall average for 13 subsets was constructed by summing the scores of the whole 71 items within the construct.

The Mann-Whitney test presented in Table 6.16 showed that the awareness, training, area of MD, method of MD, internal Factors affecting MD objectives, external Factors affecting MD objectives and factors affecting performance showed no significant difference between the two companies, in other words the respondents from both companies showed a similar attitude. On the other hand for manager development, reason for MD, company procedure, training evaluation, factors affecting MD and location of training for MD are significantly different due to of companies, with scores from Waha oil Company significantly higher than scores from Repsol Oil Company as the sign of z-statistics is negative. In other words there is a tendency from the respondents of Waha Oil Company to "agree" or be more positive than Repsol Oil Company's respondents.

Table 6.25: The Results of Mann-Whitney Test

Subset	Z-statistics	p-value
Awareness	1.928	.054
Training	-1.661	.097
Manager development	-3.229	.001
Reason for MD	-2.915	.004
Company procedure	-3.528	<.001
Area of MD	-.079	.937
Training evaluation	-3.542	<.001
Location of training for MD	-3.590	<.001
Method of MD	-1.215	.224
Factors affecting MD	-2.300	.021
Internal Factors affecting MD objectives	-.200	.842
External Factors affecting MD objectives	-1.624	.104
Factors affecting performance	-.113	.910

6.4.4. Factor Analysis

The subsequent analysis of the questionnaire is to carry out a multivariate analysis, namely factor analysis (FA) Tabachnick and Fidell (1996) to reduce the large amount of highly correlated variables into a smaller number of latent uncorrelated variables (factors) in order to determine the factors affecting MD in the companies investigated in Libya. The steps in FA are to select and measure a set of variables, prepare the correlation matrix, extract a set of factors (latent variables), rotate the factors (if necessary) to increase the interpretability, and ultimately interpret the results. A factor is more easily interpreted when several observed variables correlate highly with it and do not correlate with other factors.

Factor analysis is different from the other techniques presented in this research. It is not designed to test hypotheses or to tell the research whether one group is significantly different from another. According to pallant (2007), FA is included in the SPSS package as a “date reduction” technique. It takes a large set of variables and looks for a way the date may be “reduced” or summarised using a smaller set of factor or components. This

family of factor analytic technique has a number of different uses. It is used extensively by researchers involved in the development and evaluation of tests and scales. The scale developer starts with a large number of individual scale items and questions and, by using factor analytic techniques; they can refine and reduce these items to form a smaller number of coherent subscales. FA can also be used to reduce a large number of related variables to a more manageable number, prior to using them in other analyses such as multiple regression or multivariate analysis of variance.

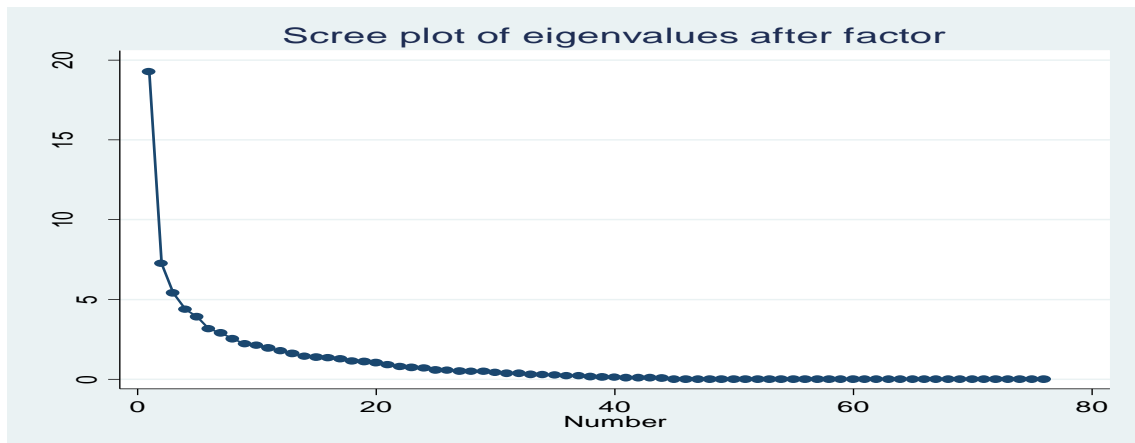
The FA starts by displaying the correlation matrix, which is a square matrix 74 by 74 (since the item number 5 of training evaluation was removed because of missing cases). To estimate the internal consistency of the solution we use the Squared Multiple Correlation (SMC). The larger the SMC the more stable is the solution. The SMC represents the correlation of a variable with the rest of the variables. A low SMC shows that the variable is an outlier and must be ignored from the FA. The goal of using of FA is to reduce a large number of variables to a smaller number of factors, to concisely describe (and perhaps understand) the relationships among observed variables, or to test theory about underlying processes. The factor analysis was performed in order to validate the questionnaire as a data collection tool (see Table 6.26) below.

Table 6.26: Squared Multiple Correlation (SMC)

Variables	SMC	Variables	SMC	Variables	SMC	Variables	SMC
Q9_1	0.9867	Q13_1	0.9767	Q18_4	0.7255	Q22B_3	0.9679
Q9_2	0.9932	Q13_2	0.9699	Q18_5	0.9763	Q22B_4	0.9502
Q9_3	0.9830	Q13_3	0.9846	Q21_1	0.9177	Q22B_5	0.9789
Q9_4	0.9408	Q13_4	0.9610	Q21_2	0.9348	Q22B_6	0.9781
Q9_5	0.9441	Q13_5	0.9769	Q21_3	0.9715	Q23_1	0.9216
Q10_1	0.8663	Q14_1	0.9402	Q21_4	0.8988	Q23_2	0.9822
Q10_2	0.9508	Q14_2	0.9592	Q21_5	0.9889	Q24_1	0.9848
Q10_3	0.9871	Q14_3	0.9696	Q21_6	0.9788	Q24_2	0.9867
Q10_4	0.9333	Q14_4	0.9362	Q21_7	0.9779	Q24_3	0.9844
Q10_5	0.9873	Q15_1	0.9737	Q21_8	0.9587	Q24_4	0.9877
Q11_1	0.9614	Q15_2	0.9301	Q21_9	0.9715	Q24_5	0.9841
Q11_2	0.9937	Q15_3	0.9787	Q21_10	0.9807	Q24_6	0.9650
Q11_3	0.9906	Q15_4	0.9075	Q21_11	0.9674	=====	=====
Q11_4	0.9818	Q17_1	0.9728	Q22A_1	0.9427	=====	=====
Q11_5	0.9508	Q17_2	0.8933	Q22A_2	0.9628	=====	=====
Q12_1	0.9545	Q17_3	0.9306	Q22A_3	0.8448	=====	=====
Q12_2	0.9884	Q17_4	0.9199	Q22A_4	0.9432	=====	=====
Q12_3	0.9900	Q18_1	0.9729	Q22A_5	0.9385	=====	=====
Q12_4	0.9627	Q18_2	0.9872	Q22B_1	0.9666	=====	=====
Q12_5	0.9703	Q18_3	0.9725	Q22B_2	0.9222	=====	=====

Our data shows an SMC varying between 0.7 and 0.96 as shown in Table 6.26 and the items will be included in FA. To check the sampling adequacy the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was computed and the overall value was somewhat satisfactory as our values is 0.520, this may due to the rather small sample of respondents (96). Figure 6.15 shows the scree plot, which is a graph of eigen-values plotted against the number of extracted factors. The graph is a decreasing curve, the eigen-value is highest for the first factor but it decreases for the subsequent factors. In the figure it can be observed that the curve change slope (elbow shape) at around factor 20, and all the variance explained by each subsequent factors is very small as the curve reaches a plateau.

Figure 6.15: Scree Plot



By looking at Table 6.27 the amount of variance is explained the first 18 factors, and as a result, 82% of the variance is explained by the selected factors. Since FA is data reduction technique, this number of factors seems to be large. Consequently, The number is reduced to be 8 factors using loading matrix although the eigen-values for the removed factors are larger than one, and hence the total of explained variance becomes 61.5%.

Table 6.27: Total Variance Explained (unrotated factors)

Factors	Eigenvalues	% variance explained	Cumulative % variance explained
Factor1	16.76	24.0	24.0
Factor2	7.91	11.3	35.3
Factor3	4.28	6.1	41.5
Factor4	3.45	4.9	46.4
Factor5	3.39	4.9	51.3
Factor6	2.68	3.8	55.1
Factor7	2.31	3.3	58.4
Factor8	2.15	3.1	61.5
Factor9	2.03	2.9	64.4
Factor10	1.84	2.6	67.0
Factor11	1.73	2.5	69.5
Factor12	1.56	2.2	71.7
Factor13	1.41	2.0	73.7
Factor14	1.27	1.8	75.6
Factor15	1.22	1.8	77.3
Factor16	1.12	1.6	78.9
Factor17	1.04	1.5	80.4
Factor18	0.92	1.3	81.7

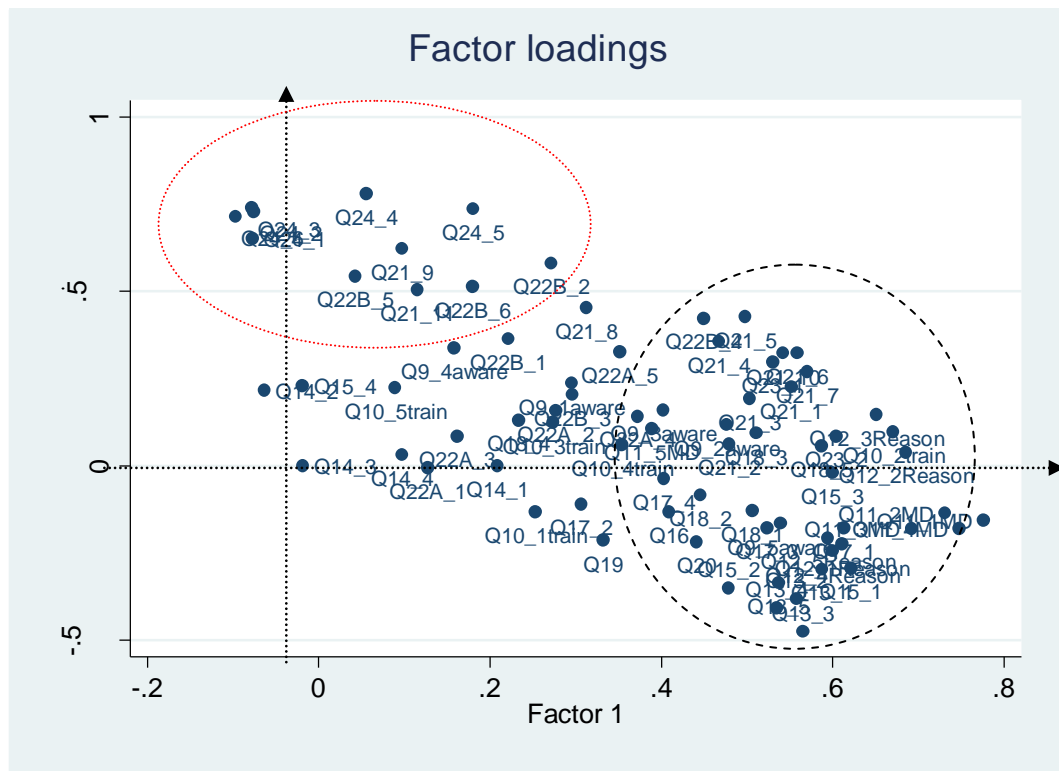
As the variables of interest should be assigned to only one factor, each variable is related to a particular factor by loading coefficient. Table 6.28 shows that the pattern matrix (loading matrix) where loading below 0.4 were excluded (blank cells), it is observed that 5 factors have a reasonable amount of loading greater or equal to 0.4. The rest of the 3 factors have sparse loadings with no possible interpretation. Factor 1 has the highest loadings as per definition. Constructs manager development, reason for MD, company procedure, area of MD, location of training for MD, method of MD and Factors affecting MD are all represented in factor 1, constructs company procedure with negative loadings. External factors affecting MD objectives and factors affecting performance are making up factor2. Factor 3 is made up of construct awareness and internal factors affecting MD objectives. Factor 4 is made up of area of MD and factors affecting performance (as factor 2). Factors 5, 7 and 8 are not clearly defined some constructs contribute to two factors, like constructs awareness, company procedure and factors affecting performance. To overcome this contradiction rotation is one possible solution. Namely, an orthogonal rotation of the factors was performed to maximise the loadings for each of the factors in order to make the interpretation of the factors easier. The rotations will not affect the mathematical fit of the data and the solution will be equivalent to the one before rotation. The goal of the rotation is to maximise the variance of the loadings within factors. The loadings that were high before rotation will be higher after rotation and those which were low will get lower.

Table 6.28: Pattern Matrix with Absolute Value of Loadings ≤ 0.4

Variable	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7	Factor8
Q9_1			0.5466					
Q9_2	0.5197		0.5282					
Q9_3	0.4665		0.5388					
Q9_4								
Q9_5	0.4824							
Q10_1							0.4190	
Q10_2	0.7221							
Q10_3								
Q10_4	0.4093						-0.4055	
Q10_5			0.4910					
Q11_1	0.6498							
Q11_2	0.7421							
Q11_3	0.6993							
Q11_4	0.7510							
Q11_5								0.5803
Q12_1	0.5166			0.4723				
Q12_2	0.6043							
Q12_3	0.6699							
Q12_4	0.5005			0.4647				
Q12_5	0.4946			0.4411				
Q13_1	0.6342							
Q13_2	0.5697	-0.4058						
Q13_3	0.5727	-0.4966						
Q13_4	0.5686	-0.4099			0.4073			
Q13_5	0.5733							
Q14_1						0.4583		
Q14_2						0.5272		
Q14_3						0.4852		
Q14_4								
Q15_1	0.4816	-0.4021						
Q15_2		-0.4284						
Q15_3	0.4793							
Q15_4								0.4324
Q17_1	0.6502							
Q17_2								
Q17_3	0.5976							
Q17_4	0.5250							
Q18_1	0.5476							
Q18_2	0.5059							
Q18_3	0.5144							
Q18_4								
Q18_5	0.5787							
Q21_1	0.6524							
Q21_2	0.5898							
Q21_3	0.5961							
Q21_4	0.5637				-0.4119			
Q21_5	0.5980							
Q21_6	0.6189				-0.4161			
Q21_7	0.6301							
Q21_8	0.4523							
Q21_9		0.6041						
Q21_10	0.6075							
Q21_11		0.4811						
Q22A_1			-0.4424					
Q22A_2	0.4493		-0.4118					
Q22A_3			-0.5673					
Q22A_4	0.5118		-0.5721					
Q22A_5	0.4709							
Q22B_1								
Q22B_2		0.5093						
Q22B_3	0.4616							
Q22B_4	0.5341							
Q22B_5		0.5360						
Q22B_6		0.4930						
Q23_1	0.6032							
Q23_2	0.6458							
Q24_1		0.6718						
Q24_2		0.6884		0.5199				
Q24_3		0.7436		0.4915				
Q24_4		0.7632						
Q24_5		0.6809		0.4350				
Q24_6		0.6858		0.4403				

Figure 6.16 shows a loading plot before rotation between factor 1 and factor 2. Based on the loadings, we can observe two clear clusters based on our cut-off for loadings ≤ 0.4 . The clusters are differentiated by using dotted lines for clusters attached to factor 2 and dashed lines for cluster attached to factor 1.

Figure 6.16: Loading Plot (factor 2 vs. factor 1) Unrotated



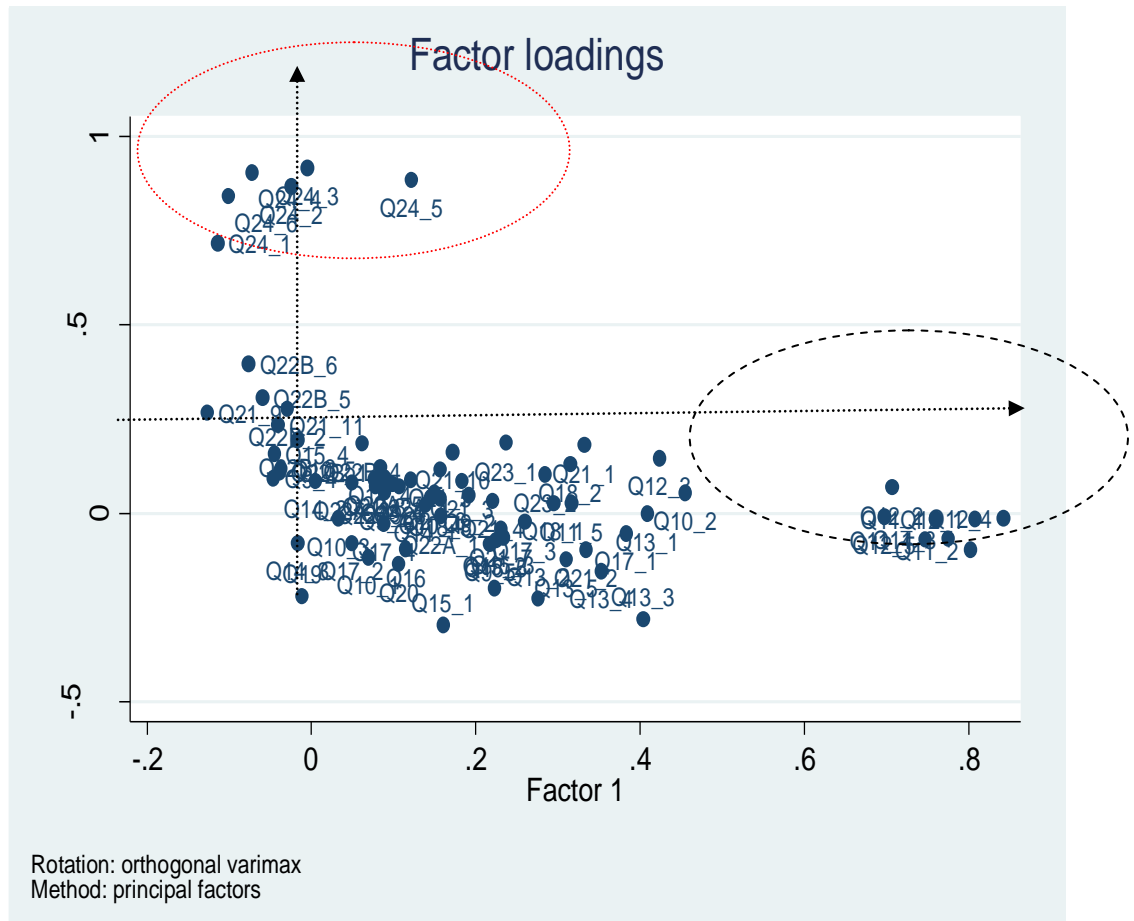
Orthogonal rotation has produced a clear set of factors where clusters are clearly identified within each factor. Factor 1 is related to construct manager development and reason for MD, factor 2 with constructs factors affecting performance, factor 3 with construct factors affecting MD, factor 4 with construct company procedure and factor 5 with construct awareness. The next step is to give a meaning to the factors in relation to the questions. Factor 1 can be named “MD Awareness”, Factor 2 would be “Performance monitoring”, Factor 3 would be “Influence in selection”, Factor 4 “MD Procedure” and Factor 5 “Manager’s attitude”. Notice that any the resulting factors may not include all the items of the corresponding questions, for example one question consisting of five items can result in factor with three items only.

Table 6.29: Loadings after Orthogonal Rotation

Variabe	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8
Q9_1					0.8288			
Q9_2					0.8448			
Q9_3					0.8830			
Q9_4								
Q9_5								
Q10_1								
Q10_2	0.4551							
Q10_3								
Q10_4								
Q10_5								
Q11_1	0.7598							
Q11_2	0.8024							
Q11_3	0.7750							
Q11_4	0.7470							
Q11_5								
Q12_1	0.8083							
Q12_2	0.7065							
Q12_3	0.4243							
Q12_4	0.8425							
Q12_5	0.6975							
Q13_1	0.4393			0.5256				
Q13_2				0.5380				
Q13_3	0.4037			0.5530				
Q13_4				0.8006				
Q13_5				0.8449				
Q14_1								
Q14_2								
Q14_3								
Q14_4								
Q15_1								
Q15_2								
Q15_3								
Q15_4								
Q17_1								
Q17_2								
Q17_3								
Q17_4								
Q18_1								
Q18_2						0.8663		
Q18_3								
Q18_4						0.7876		
Q18_5								
Q21_1								
Q21_2								
Q21_3								
Q21_4			0.8336					
Q21_5			0.7847					
Q21_6			0.7304					
Q21_7			0.5459					
Q21_8			0.4829					
Q21_9								
Q21_10								
Q21_11								
Q22A_1								
Q22A_2								
Q22A_3								
Q22A_4							0.5765	
Q22A_5							0.8275	
Q22B_1								0.8299
Q22B_2								0.7350
Q22B_3								
Q22B_4							0.6182	
Q22B_5								
Q22B_6								
Q23_1								
Q23_2								
Q24_1		0.7178						
Q24_2		0.8674						
Q24_3		0.9175						
Q24_4		0.9043						
Q24_5		0.8846						
Q24_6		0.8414						

Orthogonal rotation has produced the following loading plot as shown in Figure 6.17. It is also showing two clear clusters but there is also a cluster on the negative side of factor 2.

Figure 6.17: Loading Plot (factor 2 vs. factor 1) Orthogonal Rotation



Other techniques such as discriminant analysis can be used to discriminate between the Libyan and Non Libyan companies using the resulting factors. However, discriminant analysis is restricted by the assumptions of normality of the variables which is not always possible to satisfy. Hence, multiple logistic regressions were preferred as it is not restricted by population distribution.

6.4.5. Logistic Regression

Logistic regression allows you to test models to predict categorical outcomes with two or more categories. Your predictor (independent) variables can be either categorical or continuous, or a mix of both in the one model (Pallant, 2007). There is a family of logistic regression techniques a variable in SPSS that will allow you to explore the predictive ability of sets or blocks of variables, and to specify the entry of variables.

Logistic regression allows you to assess how well your set of predictor variables predicts or explains your categorical dependent variable (Pallant,2007). It gives you an indication of the adequacy of your model (set of predictor variables) by assessing ‘goodness of fit’. It provides an indication of the relative importance of each predictor variable or the interaction among your predictor variables. It provides a summary of the accuracy of the classification of cases based on the mode, allowing the calculation of the sensitivity and specificity of the model and the positive and negative predictive values.

Next the five factors obtained from the rotated factor analysis are saved for further analysis to discriminate between the Libyan and Non Libyan companies. The multiple logistic regression enabled the determination (if possible) of the factors that have an effect on transference of management development from the western influenced oil corporation to the state owned Libyan company. To check the effect of the factors on the response (Dependent variable) “Company”, a logistic regression is run using Factor1, 2, 3, 4 and 5 as independent variables and adjusting for nationality, time in the job as confounders. Other confounders, such age and qualification were used but were not satisfactory. The logistic regression output shown in Table 6.30 exhibits the effect of the factors obtained from the factor analysis on the company’s status. It can be observed that none of the factors has a significant effect on predicting the company’s status (p-values >0.05), and moreover all the 95% C.Is contain one; this may due to the small number of cases used.

Table 6.30: Results From Logistic Regression Predicting Company’s Status (Libyan or Foreign)

Variables	Odds ratio	p-value	95% C.I	
< one year (base)	base line	-	-	-
one-three years	2.578	.471	.197	33.809
four-six years	6.260	.222	.329	119.125
Time in job				
seven-ten years	.682	.807	.032	4.509
eleven-fifteen years	1.352	.850	.058	31.207
sixteen-twenty years	4.943	.233	.358	68.221
>twenty years	5.909	.141	.556	62.799
Nationality	.580	.688	.041	8.232
MD aware	.787	.356	.473	1.308
Performance monitoring	.797	.398	.472	1.348
Influence in selection	.845	.520	.506	1.412
MD procedure	.807	.429	.476	.371
Manager’s attitude	.796	.449	.442	1.436

6.5. Summary

The analysis carried out had to be very sophisticated and involved a variety of procedures specifically designed to highlight statistical significance.

The reliability of the questionnaire is checked to see whether there is consistency in the measuring of the items (variables). Reliability analyses using the cronbach’s alpha as well as univariate analysis were carried out. Mann-Whitney test is used to evaluate the differences between the instrument (scale) and the company status (Libyan-Non Libyan Influenced) due to the ordinal nature of some of date which often can be skewed. Additionally to provide more sophisticated statistics, factors analysis is used to reduce the large amount of highly correlated variables into a smaller number of latent uncorrelated variables (factors), in order to determine the factors affecting management development in the companies investigated in Libya. The specific goals of using FA are to summarize patterns of correlations among observed variables, to reduce a large number of observed variables to a smaller number of factors, to provide an operational

definition (a regression equation) for an underlying process by using observed variables, or to test a theory about the nature of underlying processes.

As well as logistic regression is applied in order to differentiate Libyan and Non Libyan companies using the resulting factors. Logistic regression allows the research to predict a discrete outcome such as group membership from set of variables that may be continuous, discrete, dichotomous, or a mix. Logistic regression is more flexible than the other techniques. There may be two or more outcomes in logistic regression. Logistic regression like multi way frequency analysis can be used to fit and compare models (Barbare et al 2001). Logistic regression is relatively free of restrictions and, with the capacity to analyses a mix of all types of predictors (continuous, discrete, and dichotomous), the variety and complexity of data sets that can be analysed is almost unlimited. The outcome variable does have to be discrete, but a continuous variable can be converted to a discrete one when there is reason to do so.

Generally, due to Libyan and foreign companies, there were significant differences in manager development, reason for MD, company procedure, training evaluation, location of training for MD and factors affecting MD. From thirteen questions, factor analysis resulted in, only, five factors named as manager development and reason for MD, factors affecting performance, factors affecting MD, company procedure and awareness. Using logistic regression, these resulting factors were unable to affect on transference of management development from the western influenced oil corporation to the state owned Libyan company.

In the next chapter a discussion of the analysis of responses of the surveyed Libyan managers, about the state of management development in two Libyan oil companies is presented. This discussion of the main findings from the research is carried out with regard to the research aim and objectives as well as the literature reviewed.

CHAPTER SEVEN

DISCUSSION OF FINDINGS

7.0. Introduction

The main objectives of this research and the thrust of the questions designed were to develop the framework to implement MDPs in Libyan Oil Companies, and to analyse the current management development (MD) practices in Libyan organisations and explore the extent to which transference of Western management development practices, if such a transference is possible, has in fact occurred. The justification for the choice of methodological strategy was based on the research questions and objectives and the fact that business and management research is often a mixture between scientific and social research. Realism shares some philosophical aspects with positivism it also recognises that people themselves are not objects to be studied in the style of natural science. Therefore realism recognises the importance of understanding people's socially constructed interpretations and meanings, or subjective reality, within the context of seeking to understand broader social forces, structures or processes that influence, and perhaps constrain, the nature of people's views and behaviours.

A case study design was used as this is often seen as a prime example of qualitative research, which adopts an interpretive approach to data, as it studies 'things' within their context and considers the subjective meanings that people bring to their situation. There is an increasing interest in management development and human resources development in Libya. The hope being that it can develop, improve, and upgrade the performance of Libyan human resources to achieve the required level of effectiveness, and to attain organisational competitiveness in the world economy. The study carried out was essentially an evaluation to assess the worth or value of management development, a flexible design was considered appropriate, the specific focus of this evaluation was on two comparative cases. The intent of the research was to develop generalisation that contributes to theory that enabled a prediction, explanation, and better understanding of a phenomenon. These generalisations are enhanced if the information and instruments used are valid and reliable. Qualitative research was used to gather in-depth information and quantitative research was used so that the large amounts of numerical data collected could be statistically generalised. In this study by investigating MD in the Libyan context with reference to the affects of globalisation,

MNC's and Libya's new relationship with the West there has been a contribution to our understanding. The research has been designed in such a way that the literature was reviewed as laid out in the framework shown in Figure 1.1, (see page 12) national HRD is considered as the culture prevalent in country that will affect MD as will the sector in which an organisation operates. Organisational HRD will be influenced in turn as performance improvement is demanded in increasingly competitive markets brought about by globalisation. This global influence which is brought to bear on national, organisational and even managerial culture will also impact on the applicability and transferability of MD strategy, policy, theory, models and approaches. The values, responsibilities, boundaries and even the purpose of MD can be viewed differently by, nations, sectors, organisations and even individual managers, all of which will influence its implementation.

Figure 7.1: The Research Framework



Research Objectives:

1. To review the current body of knowledge in management development to critically examining practices in Libyan oil sector.
2. To examine Libyan culture and environment to discover their influence on human resource and management development.

3. To assess the applicability and transferability of western MD models to the Libyan context.
4. To study the impact of external factors (Political, social, economic and technology) and internal factors towards effective implementation of management development in Libyan oil companies
5. To develop a framework to enable adaptation of management development to improve practices in the Libyan Oil sector.

The next step of the research involves the development of the intended conceptual framework and guidance to enable adaptation of management development to improve practices and provide effective implementation of MDPS in the Libyan oil sector. This will be done by using all findings from literature review, questionnaire and interviews. A theoretical framework is a set of theories and models derived from literature (Collis & Hussey, 2000). It is a logically described and elaborated network to show the variables relevant to the problem situation, and these variables are usually identified through interviews, observations, and literature survey (Sekaran, 1992 and 2000). The theoretical framework that underpins this study has been developed from the normative literature reviewed previously in Chapters Two, Three and Four and the findings analysed in Chapter Six. Therefore, the goal of the framework in this study is to devise an explicit theory that could be used to achieve the aim of the research, which is to create a framework of the key factors affecting management development. This research will compare the findings from the case study organisations with the various elements of the framework based on the literature review. This will help expand the understanding of how Libyan oil companies conduct their affairs in relation to management development.

7.1. Discussion of the Qualitative Results

This research considered development at both the individual as well as the organisational level. At the individual level management development was considered a process that included both formal and informal programmes by which managers gain the skills, abilities and knowledge to manage themselves and others and to perform effectively in managerial roles. At the organisational level, management development was considered to be a process which could be planned or unplanned but in any case would be deliberate, that helps managers in the organisation to learn, grow, and improve and develop their experience, skills, abilities, ideas, knowledge, culture, personal

identity and relationships, so they can contribute to the effective development for the achievement of organisational goals and strategies. The objective was to analyse the current management development practices in a Libyan organisation and explore the extent to which a typically Libyan approach to MD can be improved by any transference of Western models. For this research all the managers at each company were approached and asked to participate.

7.1.1. Documentary Evidence

Documentary evidence was also collected from each company and non participant observation was used to observe and record what people do in terms of their actions and their behaviour without the research being involved. Ten telephone interviews were carried out at each company retrospectively to gather specific information regarding management development within the companies and provide triangulation with the quantitative data gathered. The areas discussed included the structure staffing and organisational culture of the companies, and the nature of its processes and activities. This use of retrospective qualitative interviews by telephone was employed because of the advantages associated with access, speed and lower cost.

Documents gathered from the NOC as well as reports from both companies were used to discover aspects of human resource development activity at the cases studied. The NOC organises, controls and funds training and development throughout the oil sector. There are requirements stipulated that indicate the numbers and proportions of employees who will be trained each year and whether this training is to take place internally or externally. Individual companies submit their annual training plans to the NOC for approval. According to Reich, (1991) for organisations seeking to compete in globalised markets, world-class global HRD can make the critical difference and training must be seen as the ultimate key to executing the bold vision and strategies needed for global success. Additionally Wang, (2008) points out that the U.S. has a well-defined national HRD policy and implementation system and a supportive legislative system and the government has invested heavily in workforce development in various areas. In some developing and transitional economies government administrative agencies have drawn on international codes for learning and training prepared by bodies such as the ILO and OECD, which help form a blueprint of how nations, societies and communities can devise HRD policies and systems to support lifelong learning and employability (Kuruville et al., 2002; Ashton et al., 2002). Some

countries have codified HRD frameworks in national legislation, such as the Malaysia HRD Act (1992) and South Africa Skills Development Act (1998), (Metcalf & Rees, 2005).

These frameworks provide for the establishment of institutions to integrate HRD efforts and the nurturing of a common culture of learning and training between all stakeholders, governments, social partners, enterprises, individuals and civil society. According to Lee (2007) there is a pool of knowledge being built about the nature and practice of national HRD and HRD in different cultures. The training activities of the NOC are intended to raise the level of competence and efficiency of manpower both technically and administratively.

Plans for training and development in the oil sector in 2007 show a figure of (6918) candidates for training within the Libya, during the year however (7123) candidates were sent on training courses this is an implementation rate of (103%). See Table 6.3 page 148 The Waha Company has a training centre which provides local training to company staff in many professions. This company has a long history in oil training since it was operated by the Oasis Group, as they sent many high school graduates to the UK and USA for education and training. The Training Department undertakes the supervision and execution of both local and oil training plans for the company employees along with the preparation of studies and programmes relating to other areas of training and development. The Training Department at The Waha Oil Company is responsible for developing plans and training programs as is its counterpart at Repsol both are allocated an annual budget by the Libyan Government. According to Twati & Gammack (2006) the use of technology in Libya is at present minimal, despite it being one of the wealthiest countries in Africa, and also despite the fact that The High Centre for Industrial Management and Technology (HCIMT) had been established under the supervision of the Secretariat of Industry, and by Law 88 (1991). This Centre's aims were to develop industrial management by promoting the efficiency of Libyan employees, following modern management approaches, organising courses, seminars and conferences in industrial management and modern technology. Additionally The Fifth Country Programme, 1993-1997 with a total budget of \$40 million, although delayed and interrupted by declining government oil revenues and by UN Security Council sanctions imposed in 1992, still proposed that the Libyan government allocate \$10 million to fund on-going and new projects including work in human development,

economic diversification, maintenance, technology transfer and environment management. Both of the companies studied receive funding from the NOC to ensure nationally proscribed training targets are met this fact was supported in information received from the telephone interviews with managers.

7.1.2. Information from Telephone Interviews

In the interviews with managers they were asked a series of questions to discover whether their company had its own training department and if so how big it was. They were also asked if they knew how many managers were involved in training at the moment and in what way their training was carried out i.e. was it on-the-job or off-the-job, internal or external. Additionally they were asked if these management trainees were expected to make a contribution to their training expenses and also if they were expected to repay any of the cost if they left the company. Furthermore these managers were asked if there was any assistance from government towards the cost of training and how important they felt management development was to the company. Finally they were asked if they could provide any details regarding the training department and training systems within their company as well as any detailed statistics indicating the numbers of managers involved in development at the moment. From the responses supplied by the managers interviewed on the phone the Training Department within The WAHA Oil Company is responsible for developing plans and training programs and is allocated an annual budget. According to the responses to the general questions asked of them by telephone, respondents pointed out that although training at Waha was generally carried out both internally and externally. There was a tendency in some departments for internal training to be more likely to take place off-the-job. Employees were not required to contribute to the cost of their training but in certain circumstances, typically when the candidate did not fulfill the terms of the training contract, they would be required reimburse the company. The Company is generously funded by the NOC to ensure nationally proscribed training targets are met in every instance the manager interviewed expressed the importance of MD to the company.

As one of the aims of this research was to consider any comparisons between the two companies studied it is interesting to note that in the information supplied by the managers interviewed by telephone at The Repsol Oil Operations their responses are almost exactly the same as that supplied by managers at the other case studied. Just like at Waha the Training Department at Repsol is responsible for developing plans and

training programs and is allocated an annual budget. Training according to the managers questioned was generally carried out both internally and externally as well as on and off-the-job. Trainees were expected to contribute to the cost of their training in certain circumstances typically when the candidate did not fulfill the terms of the training contract, or if they took too long on their courses they would be required to repay any training costs when they left the company. The Repsol Oil Operations also receives funding from the NOC to ensure nationally proscribed training targets are met. There was some confusion in the responses from both sets of managers regarding the size of their companies training department and the numbers of managers involved in development at the moment. But in every instance the manager interviewed expressed the importance of management development to their company.

The main details gathered from these managers in the telephone conversations regarded the training department and training systems within their companies. At Waha there is increased attention on development to prepare the annual training plan requirements that are made by the main departments and are expected to raise the efficiency of workers and increase their productive capacities as well as to impose the preparation and rehabilitation of national competencies to replace foreign expertise and management activities, (Information from telephone interviews March, 2012). This training plan is prepared according to directives issued by the General People's Committee and the competent authorities, and stresses the emphasis on training within Libya and the benefits from the training possibilities available.

These 'training possibilities available' relate to focus in the oil sector and in the national workforce to develop 20% of the total national workforce annually. According to the training policy 20 % of the company employees 'are subject to training annually' and that 80% of that number should be trained internally the other 20% are trained externally, (Information from telephone interviews March, 2012). The company annually trains about 1300 users inside Libya and also about 150 to 200 abroad. The company is committed to implementing all laws and regulations governing the conditions to be applied in the programs and activities of internal and external training, as well as the trainee nomination system follow 'the conventional method'. (Information from telephone interviews March, 2012).

In the Repsol Oil Operations the Chairman of Management and Administrations supports the preparation of the training plan for each department separately and that plan includes training and development both inside and outside the company. This plan is then forwarded to the Administrative Committee, which in turn refer all plans returned from departments to the Department Training and Development in the company. The Training Plan prepared according to regulations issued by the General People's Committee and the National Oil Corporation consistent with training needs and development of the sector companies, (Information from telephone interviews March, 2012). The Training Department at Repsol also works in cooperation with Elfath University, to assist students during the training period so as to select the best of them after graduation to work within the company. The Training and Development Department in the Repsol Oil Operations considers the specifications and conditions acceptable for the nomination of the internal trainee, candidates annual reports (appraisals) are taken into account as is their knowledge of the English language. The company has contacts with the University of Cambridge in UK from any level to (IL) KET and given as the primary and often gives precedence to the graduates of universities and higher institutes of English language programs. The candidates level of learning and training will be taken into account as will his age, which should not exceed 55 years.

According to Ramirez, (2004) there are three main components to management development these are management education, management training, and on-the-job experiences. Traditionally, much of the activity directed towards learning organisations relied to a considerable extent on off-the-job methods, this is the case at Waha and Repsol, typically this includes methods such as training courses, seminars and educational programmes. More recently, however there has been an increasing focus on work-based learning or what is often referred to as informal methods of learning, due to many of the limitations associated with formalised approaches. However critics point out that off-the-job learning can often be removed from the realities of the workplace, and may suffer in terms of transferring learning to use on the job, additionally it may often be seen as lacking relevance to learners' needs. Informal learning refers to that learning which occurs on-the-job, and includes mechanisms such as mentoring, coaching, job rotation, job-shadowing and special projects or assignments. Purcell, (1987) points out that in the UK and the US there had been moves to introduce an organisational culture which emphasised individualism, seen in the shift, to HRM, and

the growth in merit pay, assessment systems and greater attention paid to recruitment, selection and internal training schemes linked to flexibility.

Results from the analysis show that at Waha the selection of trainees or the trainee nomination system is carried out where all departments and the main subsidiary company follow the conventional method, whatever that maybe and at Repsol annual reports/appraisals are taken into account. According to Sisson & Storey, (1993), success in managerial work depends on the possession of a range of social skills and innate personal qualities. Attention therefore needs to be paid to selection in order to guarantee the appropriate managerial pool. This means there is a need to examine recruitment and selection policies as they have a critical bearing on management development strategies. It has been pointed out by some writers that there are differences between countries in relation to HR practices, mainly in the areas of selection and development Laurent, (1986). According to Woodall, (1994) selection for MD previously communist countries of Europe was based upon 'connections' and not assessment of performance or procedural justice (Pearce 1991; Woodall 1982). The solution suggested to avoid problems in the selection procedure is not simply to import western ideas and transplant them into another culture, (Al-Ali & Taylor 1997) this will only make matters worse. There need to be greater efforts towards developing effective roles in training and development which may require incentives and career development according to established criteria, a rigid system of participants' selection and assessment procedures along with better training and evaluation methods of staff, top management support is crucial to the success of these policies.

The documentary evidence available for this research showed that the general duties of the Training Department at Waha include

1. Preparing of the annual training plan for the company.
2. Follow-up implementation of annual training plans for the company.
3. Evaluation of training programmes to take advantage of good programmes
4. Assessment of training institutions who deal with the company internally and externally.
5. Ensure the benefit from the programmes and activities of training centres.
6. Ensure the benefit from the programs and job training activities with foreign Companies.
7. Supervise the training of new graduates.

8. Participate in Conferences and scientific seminars of training and development internally and externally.

Waha Oil Company Annual Report 2010

According to the aims and objectives there are a number of tasks and functions of the Department of Training & Development at Repsol which are as follows:

1. Creating a workforce qualified and trained and sophisticated as the methods and scientific and technical standards required in the labour market locally and globally
2. Raising the level of prosperity among career workers and thus achieving the best results
3. Targeting to achieve security and safety and the environment through providing training programmes and development actors in order to create employment of skilled and trained according to local and international standards required in the petroleum industry
4. ready to rehabilitate and develop the ranks of deliberate artistic and administrative leaders to ensure work as outstanding performance consistent mechanization and modern management

Repsol Annual Report 2010

Evaluation of training programmes to take advantage of good programmes is a factor listed as being among the general duties of the Training Department at Waha according to their Annual Report.

According to Purcell, (1995) it has been suggested that the means by which a firm develops its managers in the long-term and addresses skills gaps in the short term are key determinants of its market performance. According to Mabey, (2002) the central elements of this ethos are typically include giving priority to manager development at a strategic level. Incorporate senior management endorsement via a written management development policy, the production of systematic mechanisms for accurately diagnosing group/individual training needs and finally the introduction of evaluation processes to ensure training remains high quality and business-focused. Furthermore Garavan et al. (1999) point out that evaluation is a necessary to establish whether management development has been effective in meeting individual and organisational priorities, to enable judgements to be made about cost effectiveness, and to aid organisational

learning and improvement. Due to the level of investment and the number of days devoted to manager training in many organisations there is a greater interest in discovering if these resources are well spent. The number of training days and the quantity of development budgets are only input measures and now much more importance is being placed on the quality and benefits arising from management development, but such evidence about outcomes are difficult to come by, (Mabey & Finch-Lees 2008).

Waha's estimated fees for training in 2007 are 2,600,000 (LD) for internal training and 2,900,000 (LD) for external training, NOC, Training and Development Annual Plan: E.T (2007 p.14) see tables 6.8 and 6.9 page 173. At Waha in 2007 it is expected that of the 3217 people who work there 1488 will take part in some sort of training, this number is set by a government quota see table 6.8 page 173. Of those, 1336 will be trained internally and 152 externally, NOC, Training and Development Annual Plan (2007 p.18). see tables 6.8 and 6.9 page 173 Repsol intends to train 95 members of their employees internally in 2007 at a cost of 56,250 (LD) and 48 externally at a cost of 462,000 (LD) :NOC Annual plan of Training and development (2009). See tables 6.17 and 6.18 pages 185-186.

One of the tasks and functions of the Department of Training & Development at Repsol was to rehabilitate and develop the ranks of deliberate artistic and administrative leaders to ensure work as outstanding performance consistent mechanization and modern management, Repsol Annual Report 2006. According to Jaeger & Kanungo (1990) modern management theories and techniques generally have their roots in the developed countries, most notably the USA. Thurley & Wirdenhuis (1991) point out that the Europeans have recognised American expertise in management for nearly a hundred years. Indeed, as Jaeger & Kanungo (1990) point out modern management theory and techniques have been imported by the developing countries to speed up their industrial development but many organisational practices and management programmes are based on an uncritical adoption of the experiences of the economic growth model, without any consideration of the fundamental difference in socio-cultural constraints and local environmental conditions and circumstances. This uncritical use of western management theories and techniques has contributed not only to organisational inefficiency and ineffectiveness in the developing countries, but to the resentment and

other negative feelings associated with the perception of being subject to cultural imperialism.

The main data collection tool was the questionnaire that was delivered by hand to each respondent and collected later. The main advantage being that all the completed responses could be collected within a short period of time and any initial doubts that the respondents might have on any question were clarified on the spot. The research was also able to introduce the research topic and motivate the respondents to offer their frank answers by assuring them of anonymity.

7.2. Discussion of the Quantitative Results

The analysis carried out had to be very sophisticated and involved a variety of procedures specifically designed to highlight statistical significance. The sampling frame used, and design of the questionnaire and its distribution, all affect the response rate, and the reliability and validity of the data collected. The clear layout of the questionnaire form and the provision of a lucid explanation of the purpose of the questionnaire, as well as careful planning and execution of the administration of the questionnaire, in conjunction with pilot testing removed any ambiguities. Additionally the way the sample respondents were selected, their responses collected, analysed and interpreted, and the consistency of the research, lend credibility to the research findings. This research believes that the procedure would produce similar results under constant conditions on all occasions. In the final analysis the research process for this study offered validity, by establishing correct operational measures for the concepts being studied. There is analysis to establish whether a causal relationship, whereby certain conditions, are shown to lead to other conditions. The studies finding should be generalisable to other Libyan companies and the operations of this study could be repeated, at any of them with the same results.

7.2.1. Personnel Profile of Respondents

There were sixty-four managers with some level of knowledge of management development at the Waha Oil Company and thirty-two at Repsol Oil Operations who completed the questionnaire. Although the vast majority of respondents are male it is significant to discover that there are a few female members of staff who hold management positions in both of the companies investigate. There was a tendency for

respondents to be of middle age but more people in the older age group of 56 to 65 worked at Repsol. Respondents of 26 to 45 years of age were equally represented in both companies. However the only younger respondents were from Waha. It appears therefore, that neither age nor gender are factors which inhibit employees in either company from becoming a manager. Very many of the managers at both companies were seen to have continued their education to degree level at least, although there were twice as many respondents from Repsol, as there were at Waha who had studied to this level. Additionally, more respondents from Waha than Repsol, had only studied to Higher Centre / Institute level. It would appear therefore that educational qualification is also not an inhibitor to being a manager at Waha, but at Repsol selection of managers appears to be limited to those who have graduated with a degree or above, although some with a slightly lower level of education can be acceptable.

The questionnaire was only given to managers but as the results show the majority of those questioned had held their management positions within their respective companies for more than 20 years. There were twice as many, of these respondents, working at Repsol as there were at Waha however in all the other categories of length of service, this trend was reversed. Significantly these results show that there were almost five times as many managers recently appointed at Waha than there were at Repsol. Additionally, there were significantly more respondents who had held their management position for only 4 to 6 years at Repsol in comparison to Waha.

7.2.2. The Questionnaire

In regard to quantitative data analysis the data is usually numeric, this kind of data was collected as a result of the questionnaire, and these are called cases. The data themselves consist of attributes, behaviours, attitudes and beliefs. These become variables and the aim of data analysis is to discover the relationship between cases and variables and variables and variables. Because standardisation lies at the heart of survey research, the primary concern was to gather consistent answers to consistent questions. It was important therefore to standardise the questionnaire as a measuring instrument.

In order to do this research wanted answers to the following questions:

- What sort of management development takes place here?
- Do you think these approaches to management development are effective?

- Does your company have a Westernised view of management development practice?
- Do you think it should have?
- What effect do you think proper management development has on organisational effectiveness?

The questionnaire was divided into FOUR sections the first was designed to gather general information about the respondent.

The respondents' gender was asked for to give an indication of the incidence of female managers working in the oil sector, they were asked their age to discern whether or not work in the oil sector was an old man or a young man's job. In order to discover if educational level attained played a part in the selection of managers they were asked about their highest level of education. To be able to discover the representativeness of the respondents throughout the managerial levels in the organisation they were asked their current job grade and their current job title. As an indication of their experience in management they were asked the length of time they had held their positions. Because one of the companies investigated is a multi-national the respondents were asked if they were Libyan or Non-Libyan. There are a great many departments and sections within oil companies and these respondents were not only asked how big their department or section was, but also in the organisation how many managers worked there.

In section two of the questionnaire respondents were asked for their views on various aspects of the management development carried out within their organisation. More specifically they were initially asked about managers, willingness to participate in management development, as well as their awareness of the organisational need for it. In an effort to address the suggestion that in Arab or Middle-Eastern organisations nepotism, favouritism and familial ties play a part in a persons prospects of training and promotion. The respondents' were asked about the selection of candidates for management development and what criteria they felt it should be based on. The respondents were next asked about management development at the organisational level, more specifically the reasons they felt most important from an organisation perspective which led to the implementation of management development programmes, As well as, to what extent they felt these management development procedures were effective and support at the highest levels. Next they were asked in which particular areas of management they felt they and their colleagues need development in and then

in what way they believed management development programmes within their organisation were evaluated. Finally they were asked directly to indicate their feelings about the effectiveness of management development within their company.

In section three the respondents were specifically asked about the methods of management development used in their company while in section four more general questions were put to the respondents regarding factors that can influence, selection for management development programmes the ability of management development activity to achieve its objectives. They were also asked whether they felt there was any similarity between management development activities in Libyan companies compared with and Western companies and also whether their company received any advice or national guidance in the area of management development.

Finally in section four the respondents were asked to what extent they felt a variety of factors influenced their performance in the company. These factors included objectives set by the company that were inconsistent and conflicting or indifferent, hostility of subordinates or superiors, lack of material support, namely equipment or support staff, lack of managerial leadership and competence or a lack of autonomy to get on and perform their job. The respondents' were also given the opportunity to add anything they wished to comment on regarding management development practices in Libya.

7.2.3. Discussion of Findings from Questionnaire

In order to check the reliability of the questionnaire and to see if there was consistency in the measuring of the items (variables) a Cronbach's *alpha*, test was carried out. The 71 items of the questionnaire produced a value of 0.934 which is highly satisfactory by reference to the cut-off criterion. The high value of *alpha* demonstrates that the 71 items are measuring the same construct. Dividing the questions into subsets enable differences in consistency to be pointed out, there were 3 out of 13 subsets with a value of *alpha* between 0.63 and 0.64. As the responses for each item are mostly respondent's attitude using the scale "Strongly disagree" to "Strongly agree", a Likert scale was used for each of the 13 subsets.

Table 7.1 List of Factors Considered

Factor No	Factor Label	Construct
Factor 1	MD Awareness	11, 12, 13, 14, 17, 18 and 21
Factor 2	Performance Monitoring	13 with negative loadings, 22B and 24
Factor 3	Influence in selection	construct 9 and 22A
Factor 4	MD Procedure	24 (as factor 2) 14
Factor 5	Manager's attitude	construct 9

Some constructs contribute to two factors

Questions were further divided into constructs or factors the first of which was MD awareness this factor included questions 11, 12, 13, 14, 17, 18 and 21 the Mann-Whitney test shows that the scores made of these constructs respondents' answers are on average significantly different, with scores from Waha Oil company significantly higher than scores from Repsol Company. In other words there is a tendency from the respondents of Waha Oil Company to "agree" or be more positive than Repsol Oil Company's respondents. Factor 1 has the highest loadings as per definition. Constructs 11, 12, 13, 14, 17, 18 and 21 are all represented in factor 1,

Table 7.2 MD Awareness

Qu. No	Statement
11	Selection for management development should be based on
12	Reasons for implementing management development in the company are
13	Management development procedures in the company
14	Managers in this company need management development in
17	In this company managers receive their management development
18	Methods of management development for internal (off-the-job) training
21	Factors influencing selection for management development programmes

7.2.4. Significantly Different Responses

This means that on the topic of what criteria selection for management development should be based on in question 11 respondents from Waha gave significantly different responses than those from Repsol. Interestingly respondents at Waha had a tendency to be more positive or at least agree with the statements presented. The analysis shows that respondents at Waha gave mainly positive responses to the suggestions that in their company selection for management development should be based on, *the individual manager's performance, his relationship with another member of staff, his experience, his qualifications or finally at the request of his superior.*

As was previously pointed out Sisson & Storey (1993), state that success in managerial work depends on the possession of a range of social skills and innate personal qualities, therefore attention needs to be paid to selection in order to guarantee the appropriate managerial pool. There is therefore a need to examine recruitment and selection policies as they have a critical bearing on MD strategies. Individual manager's performance should play apart, in fact at Repsol annual reports/appraisals are taken into account as part of the selection process.

According to Mabey & Finch-Lees, (2008), in performance-oriented cultures training needs are determined on the basis of performance outcomes, while job performance plays no part in decisions made on who will participate in training in low performance-oriented and high power distance contexts. In these cultures it is those employees who maintain good relations with higher management who are selected for training programmes as a reward for their loyalty (Sinha, 1997). In collectivist cultures there is in-group favouritism based on kinship or tribal ties (Wilkins 2001) and in high power distance cultures, training needs of the work group are determined by the paternalistic manager in an authoritarian or consultative way. In low power distance cultures, training needs are usually determined jointly by the employee and his/her superior, (Aycan, 2005).

Implementation of MD was one of the factors considered as being relevant to the comparison of both companies respondents from the cases studied gave *significantly different responses* and managers at Waha were more likely to positively agree. The statements about management development implementation asked if those managers questioned agreed that their company implemented MD in order to *develop the*

knowledge attitudes and skills of managers, or increase organisational effectiveness. It was also suggested that MD might be implemented due to inefficiency in educational and technical institutions and was therefore needed to raise managers' managerial ability. The final statement concerned the need to implement MD in order to foster the development of people in and for management functions.

The review of the available literature indicates a widespread belief that increased investment in training and development would prove an organisational (and economic) panacea, re-dressing the performance gap for which a lack of training was held responsible, this elevated HRD to an issue of national strategic importance. There is a tendency however for any definition of HRD to be influenced by a country's value system. In the US context for instance the emphasis is on performance while religion and community predominate as influences in other countries according to McLean & McLean (2001).

According to Holton, (2002) the 'performance' paradigm relates that, the purpose of HRD is to advance the mission of the performance system that sponsors the HRD efforts by improving the capabilities of individuals working in the system and improving the system in which they perform their work. However McGuire et al. (2007), points out that the instrumental role of HRD in achieving organizational effectiveness and supporting organisational change must be evaluated against the cost of financing such activities. According to Thomson et al. (2001) general development approaches are dominated by a powerful rational-functional philosophy which views the main justification for any development programme as being its direct contribution to business strategy and organizational performance. This means that MD must add value to the business and maintain competitiveness in the face of environmental threats (Woodall & Winstanley, 1998; Thomson et al., 2001). However MD has been increasingly adopted as a strategic tool for achieving desired organisational outcomes and effective individual performance as well as a driver and facilitator of organisational change, adaptation, and renewal. Mabey & Finch-Lees (2008) point out an additional purpose of MD, in collectivistic cultures, this is its' use as a tool intended to motivate employees and reward loyalty and commitment. In fatalistic cultures however managers assume that employees, by nature, have limited capacity that cannot be improved (Aycaan et al. 2000). In cultures where there is a heavy emphasis on performance excellence and quality, there is a large budgetary allocation to and widespread

application of training and development activities according to the result of this study both companies whether state owned or not, receive funding from the NOC for employee training development priorities and policies (Pettigrew et al. 1988).

According to the General Secretariat for Education and Scientific Research (GSESR, 1999), in comparison with the rest of North Africa, Libya has the highest number of academically trained and highly qualified citizens. Many Libyans have completed study programmes at well-known foreign universities across the world. They are well educated, but not sufficiently well-trained, in particular with regard to management and leadership techniques (Aghile 2000). This seems to fit with the agreement from respondents at Waha that *inefficiency in educational and technical institutions* can be a reason for their company to implement management development. Furthermore poor performance in the industrial sector was attributed to the absence of positive management, especially in the areas of planning, organising, controlling and marketing.

The fact that there maybe just such an absence of positive management in particular areas was addressed in question 14 when respondents to the survey were asked in what areas they felt managers within their company needed development. The options given were *activities related to the technical management such as production, engineering, maintenance, research and development*, or to *the general management of the departments, divisions, and organisation, such as planning, organising, controlling*, such as Aghile (2000) suggested. Further options included *activities related to personnel management, such as recruitment, industrial relations, employment*, or to *other departments, such as marketing, accounting, production, statistical methods, and forecasting skills*. The respondent at Waha gave positive responses to these statements and agreed that managers in their company required development in all of these areas, but there responses were significantly different from those managers who responded at Repsol.

Another factor considered of importance in a comparison of MD at both companies was the methods of management development used, once again the analysis showed differences between Waha and Respsol in this regard. The methods of management development listed included *in the company (on-the-job training coached or mentored)* or *(off-the-job in classrooms)* as well as *away from the company (off-the-job training on local courses)* or *(studying abroad)*. Analysis of the answers from managers who

completed the questionnaire at Waha indicate that these respondents were more likely to have agreed with the statements provided and show that both internal and external forms of management development and on and off the job training are always used at their company. The statistical tests results show with regard to this question, among others, that Repsol respondents felt significantly differently. Information gathered from managers who were interviewed by telephone shows that, although these managers were apparently in agreement that all forms and methods of development were used in their companies. At Waha there was a tendency in some departments for training to be more likely to take place off-the-job. These results triangulate with the responses managers gave on the phone and information gathered from the review of the literature.

In question 18 respondents at both company's studied were asked which methods were used at their company to provide internal (off-the-job) training. The methods included were *Lecture; Discussion; Role play; Case study* and *Management exercises*. Respondents from Waha positively agreed that each of these methods of training were used internally at their company in order to train managers' off-the-job. The major criticism of this form of training, as has been previously pointed out is, that off-the-job learning can often be removed from the realities of the workplace, and as such suffer in terms of transferring learning to use on the job, and may often be seen as lacking relevance to learners' needs.

Selection for management development was considered of the utmost importance in the comparison of both companies, so much so, that in question 21 of the case study survey managers at both companies were once again asked to indicate factors they felt influenced selection for management development programmes in their companies. The factors although randomly distributed for the purpose of the question can be seen to occupy two specific groupings. Grouping number one includes; *Having good professional knowledge; Quality of job performance; level of academic qualification; having initiative; capacity to work with people* and *seniority in the company* are suggestive of a merit system based on the possession of a range of social skills and innate personal qualities (Sisson & Storey 1993). The second includes; *loyalty towards the company; opinion of the bosses; relationship to top managers; favouritism and ethnic loyalty (tribalism)* suggestive of (Pearce, 1991; Woodall, 1982) selection based on 'connections' and not assessment of performance or procedural justice. Repsol managers disagreed with regard to the influence these factors have on the selection of

managers in their company's but managers at Waha where shown statistically to be more positive in their responses and therefore more likely to agree. According to the literature reviewed Libyan management bureaucracy stems from the Ottoman nature of administration and is highly personalised the character of an organisation is shaped by the personality of the individual in charge, and the traditional importance of tribal and family links. This tradition remains so strong that merit and qualifications are ultimately of little value in the promotion ladder. Even today in collectivist cultures like Libya there is in-group favouritism based on kinship or tribal ties (Wilkins, 2001).

7.2.5. Significantly Similar Negative Responses

The Mann-Whitney test shows that the scores made of constructs 9, 10, 14, 18, 22A, 22B and 24 showed on average no significant difference between the two companies, in other words the respondents from both companies answered on average in a similar fashion. Constructs 13 with negative loadings, just like 22B and 24 make up factor 2. In response to these questions managers of both companies answered in a similarly negative fashion.

Table 7.3 Performance Monitoring

Qu. No	Statement
13	MD procedures in the company
22B	Factors influencing MD activity in achieving its objectives – External
24	Factors influencing your performance in the company

In all of the literature reviewed there was a common factor that was of the highest importance with regard to management development this was the support of top management. In question 13 of the survey respondents were asked to consider whether management development in their company had *the full support of top management; was evaluated from time to time; provided the quantity and quality of managers needed; created the necessary climate to develop managers and provided the right environment for managers self-development.* The analysis of results shows that respondents at both Waha and Repsol gave similarly significant negative responses to this question and

disagreed or strongly disagreed that this was the case in their companies. This result is significant because as has already been pointed out Al-Ali & Taylor (1997) believe that top management support is crucial to the success of these policies.

MD programmes according to the literature not only need the support of top management but should be designed in a way that ensure that managers have the adaptability and flexibility of skills and disposition to move through often rapidly-changing managerial roles in order to stimulate a holistic and integrative approach to management tasks (Harrison, 2002). The importance management development according to Woodall & Winstanley (1998) is that it is a bridge between organisational development which emphasises the needs of an organisation to grow and change, and self-development that focuses on ways in which an individual can help themselves to grow and change in ways which that are of benefit to their own career aspirations.

Another significant factor that was considered important for the comparison was the transferral of management theories from other countries. In question 22B respondents were asked to consider a list of external factors that would have an influence on management development activity in achieving its objectives. These factors included *the training establishments (trainers, facilities, techniques available); economic changes in the country; country laws-policies (wages laws, compensation, stability); country's social environment (customs, attitudes, culture); continued advances in management sciences in the country* but also the *transfer of management theories from other countries*. Respondents from both Waha and Repsol answered on average in a similarly negative fashion indicating that in their opinion these factors would have little or no effect on management development in their company. This was despite the fact that Repsol Oil Operations documents point out that in the Training Department's list of objectives, there is acceptance that, *due to failures in providing appropriate areas for training locally there is need to implement the programs in advanced and sophisticated external views of internationally recognised expertise and advanced training*. This proposal suggests a willingness to transfer management theories from other countries and a willingness to identify continued advances in management sciences in their country.

According to Agnaia, (1997) attitudes of management to training are crucial in promoting or ignoring the whole concept of MD, but some managers do not accept that

they themselves need to change their attitudes towards MD, which means that they are unlikely to be able to function effectively in a changing world (Mabey & Salaman 1995). Agnaia, (1997) explains that this reluctance can in fact be a direct result of the Arab culture. In the management literature reviewed, culture is seen as having a considerable impact on MD, (Hofstede, 1997). Culture impacts on management practices and influences management behaviour, and reflects the values of the local environment and the perceptions which individuals in organisations have around them. The new openness in Libya has enhanced its political reputation and much better relations with the EU and the US seem the only way to successfully diversify its economy. But an extremely significant managerial challenge is the transformation of organisational culture to promote the change necessary in order to survive the turbulent economic environment and implement successful strategies to adapt to the new market environment. Both sets of respondents to the survey were united in their belief however, that *economic changes in the country; country laws-policies (wages laws, compensation, stability); and their country's social environment (customs, attitudes, culture)* will not have any effect on management development. Results from the analysis of respondents' answers to question 24 also show a consensus among managers at both companies as both groups answered on average in a similarly negative fashion indicating that in their opinion, factors like *inconsistent and conflicting objectives set by the company; lack of autonomy to perform their job; lack of managerial leadership and competence; indifference or hostility from either their boss or subordinates* and finally *lack of support (e.g. equipment, funds, skilled supporting staff)* would have little or no effect on their performance within the company.

7.2.6. Anomalous Factor Responses

Factor 3 is made up of construct 9 and 22A the respondents from both companies answered on average in a similar fashion to these questions, responses were clustered in the middle of the Likert scale. In question 9 the respondents were presented with a series of questions including *managers are unwilling to take responsibility for their own management development; managers are not conscious of the company's needs; managers' are unconcerned about the overall goals of the company; there is some kind of dissatisfaction among Managers; and finally management development is properly planned for in their company.*

Table 7.4 Influence in Selection

Qu. No	Statement
9	Managers are unwilling to take responsibility for their own management development Managers are not conscious of the company's needs Managers are unconcerned about the overall goals of the company There is some kind of dissatisfaction among Managers Management development is properly planned for
22A	Factors influencing MD activity in achieving its objectives – Internal

This question the very first of the attitude statements given to the respondents asked them to make bold statement about the state of things within their companies. It is probably not surprising therefore that they chose to take the centre line and opt for disagree in response to most of the statements, however in response to the final statement, regarding the planning for management development, these respondents disagreement is at odds with information from previous sources. Information from both the documentary evidence supplied and telephone conversations held with managers at both companies indicate that planning for training is of particular importance. Perhaps it is only planning for management development that is lacking. According to Agnaia (1997) the importance of human resource development in Libya came about because of its role in facilitating the social and economic development process. The employee is the target of this process on the one hand, and he is the basic factor in the planning and achievement of its objectives on the other. However Harrison (2002) points out that MD is most effective when it matches the strategy or mission of an organisation, and indeed is planned for developed and implemented in order to facilitate the implementation and success of that strategy.

Factor 4 is made up of constructs 14 and 24 in response to these questions as was previously pointed out respondents from both companies answered on average in a similar fashion to question 14. But in responses to question 24 there were negative loadings from both groups of managers.

Table 7.5 MD Procedure

Qu. No	Statement
24	Factors influencing your performance in the company
14	Managers in this company need management development in

Results for Question 24 showed that in their opinion, managers at both companies felt that factors like *inconsistent and conflicting objectives set by the company; lack of autonomy to perform their job; lack of managerial leadership and competence; indifference or hostility from either their boss or subordinates* and finally *lack of support (e.g. equipment, funds, skilled supporting staff)* would have little or no effect on their performance within the company. In question 14 respondents were asked about areas requiring management development in their company. The respondents at Waha gave positive responses to these statements but there responses were significantly different from those at Repsol.

As was previously pointed out in question 9 regarding management attitudes respondents were asked to make a bold statement and the majority chose to take the centre line. Responses to the final statement were somewhat significant as managers who responded to the questionnaire disagreed that management development in their company was planned for, which was at odds with information received from previous sources.

7.3. Summary of the Analysis

The reliability of the questionnaire had to be checked to see whether there was consistency in the measuring of the items (variables). For the 71 items identified a value of 0.934 was discovered, which is highly satisfactory by reference to the cut-off criterion. The removal of any item from the analysis did not significantly increase nor decrease the value of the overall *alpha*. The high value for alpha can also be due to redundancy (similarity) of some of the questions therefore a look at separate alphas for each battery (subsets) of questions enabled differences in consistency to be pointed out. There were 3 out 13 subsets with a value of alpha between 0.63 and 0.64. A factor analysis such as principal component analysis (PCA) enabled the selection of items which would stay and which would be removed. As the responses for each item are

mostly respondent's attitudes using the scale "Strongly disagree" to "Strongly agree", a Likert scale was used for each of the 13 constructs by summing the scores of the items within the construct. An average score was computed as "Avg. scores". There were 3 out of 13 subsets with a value of *alpha* between 0.63 and 0.64, from those which were significant 5 factors were constructed and included.

Table 7.6. Factors Considered (1-5)

Factor No	Factor Label	Construct
Factor 1	MD Awareness	11, 12, 13, 14, 17, 18 and 21
Factor 2	Performance Monitoring	13 with negative loadings, 22B and 24
Factor 3	Influence in selection	construct 9 and 22A
Factor 4	MD Procedure	24 (as factor 2) 14
Factor 5	Manager's attitude	construct 9

Some constructs contribute to two factors

This was because these 5 factors had a reasonable amount of loading greater or equal to 0.4 in fact Factor 1 had the highest loadings as per definition. Constructs 11, 12, 13, 14, 17, 18 and 21 are all represented in factor 1, constructs 13, 22B and 24 all had with negative loadings, and make up factor 2. Factor 3 is made up of construct 9 and 22A. Factor 4 is made up of constructs 14 and 24 (which is also in factor 2), factors 5 was not clearly defined containing construct 9 (which is also in factor 3). The use of multiple logistic regression was expected to enable the determination (if possible) of the factors that have an effect on transference of management development from the Western influenced Oil Corporation to the state owned Libyan Oil Company. It can be observed however that none of the factors had a significant effect on predicting the company's status (p-values >0.05).

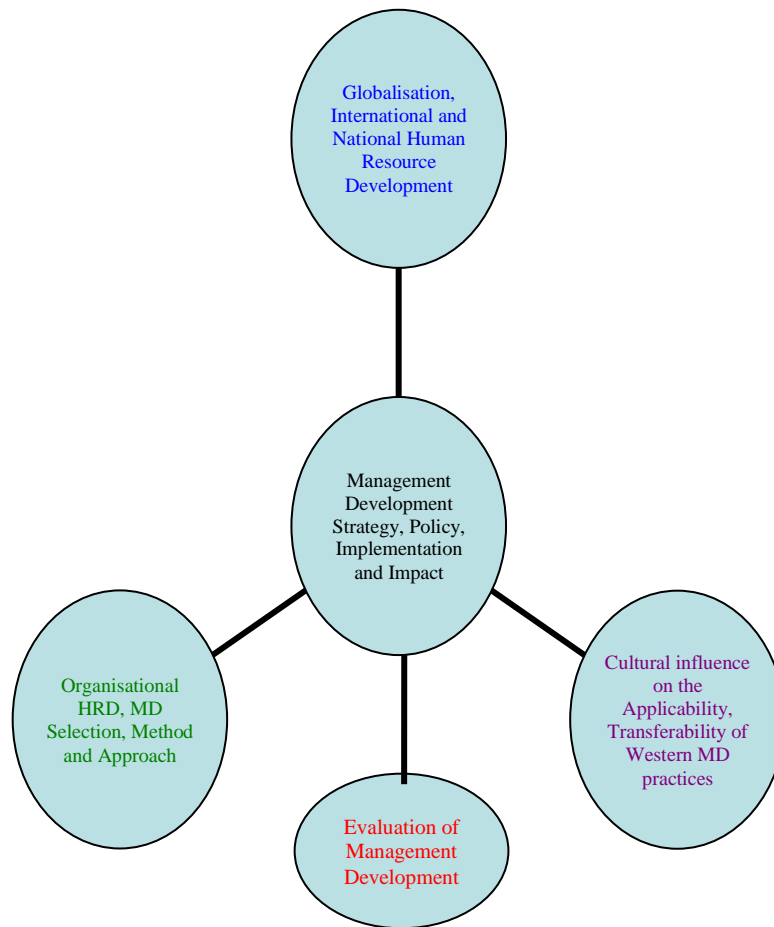
The Mann-Whitney test showed that the scores made of constructs 9, 10, 14, 18, 22A, 22B and 24 indicated on average no significant difference between the two companies, in other words the respondents from both companies answered on average in a similar fashion. On the other hand for construct 11, 12, 13, 15 and 21 respondents' answers are on average significantly different, with scores from Waha Oil Company significantly higher than scores from Repsol Oil Company. In other words there is a tendency from

the respondents of Waha Oil Company to “agree” or be more positive than Repsol Oil Company’s respondents. Analysis of constructs 13 with negative loadings, and which just like 22B and 24 make up factor 2, indicates that in response to these questions managers of both companies answered in a similarly negative fashion.

7.4. Development of the Conceptual Framework

The context of the conceptual framework can be expressed at different levels due to the fact that human resource development in general and MD in particular is important at all of these levels (see Figure 7.2). International/National HRD is significant as the culture prevalent in a country will affect development policy, the culture of an organisation and how its MD strategy operates. Organisational development will be influenced in turn as performance improvement is demanded in increasingly competitive markets brought about by globalisation, highlight the impact of MD. This global influence which is brought to bear on national, organisational and even managerial culture will also impact on the implementation of MD and the applicability/ transferability of MD strategy, policy, theory, models and approaches. The values, responsibilities, boundaries and even the purpose of management can be viewed differently by, nations, sectors, organisations and even individual managers, all of which will support its implementation.

Figure 7.2: The Conceptual Framework



The conceptual framework detailed within this chapter has been developed to synthesise key themes, which lead to a better understanding of the phenomenon under analysis. It has been developed in order to fully utilise existing theory and knowledge within this study and as a consequence the theory and knowledge analysed is developed further within this chapter into a conceptual framework. The theoretical framework of this research will act as the basic structural model incorporating the themes identified and the inter-relationships between them. The proposed framework for the current study combines a group of factors under the umbrella of the main themes that emerged from the literature review and is the logic of the necessary steps utilised to make sense of integrating and re-arranging ideas, factors, and issues. A theoretical framework can help the research to recognise the differences between the existing knowledge and ongoing research. By using a conceptual framework, the investigation no longer lacks structure but becomes part of a line or tradition of inquiry, which other researchers can check, replicate or build upon.

7.4.1. Globalisation

The review of the literature informed this research that external factors such as globalisation and culture have created a need for greater cross-cultural communication and necessitated greater awareness of diverse management and business values as important aspects of competitiveness at a national level (Sklair, 2001; Sparrow et al., 2004; Kiessling & Harvey, 2005). But perhaps more importantly issues like the pace of change in the world, technological evolution, the growth of the knowledge economy and globalisation have all highlighted the central role of learning and development, skills and capabilities, and the value of knowledge for societies, organisations, and individuals (Lepak & Snell, 2003). Undoubtedly then investments made in educating and developing the workforce and developing their skills will pay dividends not only to an organisation but also to a country. Today's emerging global economy is described as being based on entrepreneurship, oriented toward human development, and is also described as being environmentally sensitive. Because innovation and creativity will become even more important in tomorrow's economy honing these skills as well as managing and fostering them will continue to be a key managerial challenge. This fact is emphasised by Zahra et al, (1999) who state that economic development can neither be achieved nor sustained if it does not promote or encourage human development this underlines the necessity to focus on human development as intellect and knowledge are the fuels of global competitiveness and growth.

7.4.2. Development Policy

The literature reviewed indicates that globalisation reveals patterns of 'uneven' economic and social development and highlights the disparities in education and skill levels across countries (Stiglitz, 2002; UNDP, 2003b; World Bank, 2003). The force of globalisation has existed for centuries but the phenomenon has only recently exploded, Sydhagen & Cunningham (2007), especially in terms of labour movement and the transfer of capital across national borders. Although globalisation has not had the same impact on Africa as it has in other parts of the world most African countries have now made significant advancements in terms of trade liberalisation (Tsikata, 2001). Some Middle-Eastern countries have established national human resource development programmes as part of their responses to globalisation processes (UNDP, 2003). Some have codified HRD frameworks in national legislation. Even though many African countries have made significant advancements in terms of trade liberalisation, economic

policy regulations even if modified in the frame of liberalisation, are still handled by those countries governments as powerful tools of political control over economic agents and interactions to maintain the political and economic hegemony of the ruling elites and their clientele Schlumberger, (2000). Although the liberalisation of Libya remains comparatively limited, there are a number of encouraging signs that the Government is pursuing a more conciliatory approach towards foreign businesses. This will mean that both within and outside the mainstay hydrocarbons sector, serious foreign candidates looking to take advantage of what the country has to offer will have to look closely at Libya sooner rather than later in order to ensure that the necessary relationships with Libyan partners begin to emerge, Terterov & Wallace (2002). However Libya is still not a simple market for foreign investors because of the intricate laws and regulations, as well as a general lack of clear law and the existence of corruption at many levels. In the belief that global economic integration will attract much-needed foreign direct investment and will expand economic growth, the Libyan government continues the economic liberalisation program, focusing on structural modernisation and privatisation. The foreign investments attracted are considered a successful means to develop certain underdeveloped regions, to diversify Libya's economy. However to realise its full economic potential, Libya needs to offer an open and reliable business environment and in this regard there is still a long way to go.

7.4.3. Development Strategy

The literature reviewed also revealed that as the need for greater competitiveness in the organisations of developing countries increases this is putting pressures on managers to develop appropriate HRM responses, globalisation and its accompanying economic liberalisation have been the driving force behind the transformation of HRM in these countries, Scullion & Lineham (2005). Consequently, there has been a growth in comparative and international HRD research, both in terms of unravelling the nuances of global HRD systems, and in identifying the societal and cultural practices that shape HRD and learning in different geographic locations (Cho & McClean, 2004; Ashton et al., 2002; OECD, 2000). Global HRD can be characterised as primarily being concerned with the strategic development of HRD as well as organisational systems and practices in the global organisation. According to Boxall, (1995) this simply amounts to HRD but on a larger scale. The inclination of firms which have come under pressure from economic liberalization has been to look to human resource development for an answer rather than to human resource management.

It is the view of convergence theorists however, that the phenomenon of globalisation is also driven by the convergence of business culture and policies. The influence of multinational corporations (MNCs) on the practices of national firms is particular emphasised in this theory. Furthermore, because of globalisation there is now a simultaneous pursuit of global coordination and multinational responsiveness which creates a natural learning agenda for many organisations. MNCs play significant role in the dissemination of HR practices to their host organisations, parent companies often use management development as ‘corporate glue’ Mabey & Finch-Lees (2008).

7.4.4. International HRD

By carrying out a review of the literature this research also discovered that HRD at national level is very much culture bound Wang & McLean, (2007) due to the fact that individual companies working in one nation are free to develop their own understanding of HRD, and nations work at developing an understanding of national HRD. However it becomes critical for organisations that work across nations, to define IHRD to accommodate common themes that relate to cross-national or transnational HRD activities. IHRD is a broad term that concerns processes that address the formulation and practice of HRD systems, practices and policies at the global societal and organisational level, Metcalfe & Rees, (2005). Areas it can concern itself with include the ways in which national governments and multi-national organisations develop and nurture international managers and how they each develop there own global HRD systems. It is important to remember however that there are a variety of forms and differences in national business systems, including state intervention and regulation, educational systems, the differential impact of globalisation upon organisations within different geographical regions and the role of multinational corporations in developing global HRD practices.

7.4.5. National HRD

In the review of literature McLean, (2004) and Cho & McLean, (2004) proposed as a result of their research separating out national HRD practices in relation to whether a country is a developed, developing or transitional society and also the extent to which HRD policy is centralised or decentralised. In several Middle Eastern countries since the mid-1990s is that the levels of state ownership have been significantly reduced as a massive process of privatisation swept across the region. At the heart of this change was

the shift from centrally commanded economies or high government interference to an economic system where market driven forces rather than government sponsored and protected initiatives drive the economy. As a result, the central government control over HRM practices has been greatly reduced and further, economic liberalisation has had a strong impact on HRM systems.

The purpose of HRD when nations are the targeted performance system is to develop and unleash human expertise for national economic performance, political and social development, growth, and well-being by enabling and enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organisations and the nation as a whole. It should be concerned with the provision of education and the development of human capital toward improving national competitiveness as well as enhancing the quality of life of citizens, Garavan et al., (2004). The publication of the first national human development report for Libya in 1999 was a very positive step in promoting the collection and dissemination of information about sustainable human development. In 2000 the Libyan General People's Congress and the Government authorities embarked on an ambitious programme of decentralisation, abolishing most central government functions. This decentralisation programme was also seen as an opportunity to respond more accurately to some of the country's development needs, through increased needs-based targeting of resources. The new short term national development plan began in 2003. However longer term strategies for the development of the economy have yet to be decided on. Any new national development plan should include strategies for management development as Fituri, (1992) pointed out that senior managers in Libya are the most important group of human capital in organisations and their for management training and development was not necessarily being met. There is still a real need for qualified managers, professional institutes and integrated management development programmes in Libya.

7.5. Organisational HRD

The review of the literature for this research revealed that just as there are external factors such as globalisation, international and national HRD that have an impact on the management development equally there are internal factors that also have an effect. Management development as an activity is usually presented as desirable to both individuals and organisations, and rarely are the implicit assumptions that support it

given significant attention (Hopfl & Dawes, 1995). This is despite the fact that managers are generally regarded as a critical resource who holds the key to unlocking the potential in all other factors of production, Garavan et al., (1999). In Libya there was a shortage of appropriately trained staff that make the returns of investment in the industrial base woefully inadequate therefore the productivity of Libyan firms remains low Agnaia, (1997). There are problems with those who are to be trained in management as well, as some managers resist the idea of attending training and development courses, because they see this as an admission of incompetence, with obvious unfavourable consequences for their careers and social status. Libyan companies, like those in many other developing countries, are owned managed and supervised by government institutions which make their operations extremely sensitive to legislative changes, particularly in the areas of remuneration, organisational structure, management systems and research and development. The government has total authority to limit imports or exports, or order a company to move to a different location. Many senior appointments are in the hands of politicians and civil servants.

A United Nations mission reported in 1994 that intervention by central authorities creates counterproductive and costly instability. Change within government departments and institutions also create instability within Libyan management development programs. Furthermore the Government intervention in Libya contributed to the complexity of the situation, for a number of reasons, first of all responsibility for management training and development was split between three Government departments, Education, Planning and the Treasury. This led to companies having major difficulties getting the information and finances they required. Secondly too little effort was made to tie the educational syllabuses to the needs of the Libyan economy even though there was a desperate shortage of appropriately trained staff. A further concern is the reliance placed on traditional conventional approaches to management development, particularly when faced with these structural, political and cultural barriers that may have failed to deliver the anticipated outcomes. Although there are a number of set rationales for management development, the functional performance rationale is by far the most popular it argues that the intention is to directly improve managerial functioning and thereby corporate performance, in fact for many it is the only rationale.

7.5.1 Management Development

From the literature reviewed it seems that at the national level, the aim of management development is to create a supply of sufficiently trained and developed managers to improve corporate competitiveness and aid national economic recovery. At the group level management development may seek technical or social change in particular functions or at different levels, or even large scale change across the entire organisation. At the individual manager level, the intention of management development is to be proactive by imparting new knowledge, skills or attitudes, although it can also be remedial by trying to eliminate identified weaknesses. Management development bridges the gap between organisational development which emphasises the needs of an organisation to grow and change, and self-development that focuses on ways in which an individual can help themselves to grow and change, Woodall & Winstanley, (1998). In Libya there is a reluctance among trainees for mainly social and cultural reasons to attend management training courses, this Abuznaid, (1994) argues is because religion has a great impact on human behaviour, social interactions and social relations. Islam as a religion and a way of life has an influence on the political, economic and educational system as well as other cultural aspects of Arab and Muslim societies. There is an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources. An example of this is the Islamic conception of management consultation which is to enhance the relationship between group members and their leaders. The manager is accountable to God and the people (employees), are required to carry out their tasks efficiently. These are essential issues for training and development, requiring managers to discuss all work-related matters with employees, to encourage employees who do well, and to discuss problems with those who do not work well in order to help them to improve their skills, knowledge and ability.

7.5.2. MD Strategy

As major environmental shifts are now demanding a more strategic perspective from those who manage and lead organisations, many organisations are now 'globalizing' in their quest for markets that will bring them new opportunities for growth and prosperity. Advances in technology, especially in the field of information and telecommunications, are leading to greater efficiencies, reduced costs and opportunities to launch new products and services. Such changes set new challenges for managers and employees alike, with managers being expected to respond as strategic leaders and perform the role

of change agent (Salaman, 1995; Rosenfeld & Wilson, 1999). Their task is to establish a clear mission, linked to a set of strategic business goals that enable organisations to acquire, control and allocate resources to maximise the opportunities available and to minimise any threats to their survival and success. In the bid to equip managers with the knowledge and skills to do this, MD has become a strategic imperative within many organisations (Woodall & Winstanley, 1998; Thomson et al, 2001) because gaining strategic significance ensures the right mix of management competencies to enable the organisation to maintain or shift its competitive position in the future Buckley & Kemp (1989).

The way an organisation chooses to interpret and respond to competitive pressures and the performance gaps they expose will naturally play a key role in determining MD priorities and policies Pettigrew et al., (1988). Purcell, (1995), however, argued that an organisation's business strategy is best geared to its current capability given the state of flux in the internal environment. Either way, it has been consistently theorized that the means by which a firm develops its managers in the long-term and addresses skills gaps in the short term are key determinants of its market performance (Butler et al., 1991; Schuler & Jackson, 1987; Tichy et al., 1985). The central elements of this typically include: priority given to manager development at a strategic level; senior endorsement via a written management development policy; systematic mechanisms for accurately diagnosing group/individual training needs; evaluation processes to ensure training remains high quality and business-focused; and serious attention given to the implementation of training activities, Mabey, (2002).

This interplay of competing and contested views, together with the influence of external environmental forces, will shape the pathway of training strategies and implementation in a given organisation Thomson et al., (2001) but it is not surprising that investment in management training does not automatically translate into improved performance. The reasons for this might include a poor matching of training provision to managers' requirements; a failure to understand the situational factors that shape behaviour; mixed motives on the part of senior management for investing in management development; collusion between what the organisation thinks it wants in the way of MD and what external/internal providers actually deliver Thomson et al., (2001). Additionally there may be resistance from existing authority structures; and difficulty in developing appropriate levels of trust, mutual support and collaboration all of which are essential

for effective MD to take place. Harrison, (2002) points out that MD is most effective when it matches the strategy or mission of an organisation, and indeed is planned for developed and implemented in order to facilitate the implementation and success of that strategy.

7.5.3. MD Policy

The review of the literature concerning the measures available to companies setting out their MD policy document points towards growth in the use of and efficacy of what might be termed ‘best-practices’, including: care given to the diagnosis and design of training, career development opportunities and the subsequent evaluation of MD activity”, Mabey & Ramirez, (2005). Documents gathered from the NOC as well as reports from both companies were used to discover aspects of human resource development activity at the cases studied. The NOC organises, controls and funds training and development throughout the oil sector. There are requirements stipulated that indicate the numbers and proportions of employees who will be trained each year and whether this training is to take place internally or externally. Individual companies submit their annual training plans to the NOC for approval. Even after repeatedly talking to contacts at both of companies studied, this research was unable to acquire any written document that specifically dealt with a policy for the development of managers. The General People’s Committee and the competent authorities, stress the emphasis on training within Libya and the benefits from the training possibilities available. The National Institute for Administration also aimed to develop at least 15% of Libyan employees at different levels of management. However this research was unable to acquire any information regarding MD in particular in documents from either of the companies studied. Significantly from the interviews carried out (see section 7.1.2) according to an additional comment made by one of the respondents at Repsol the whole area of MD is controlled by the Chairman of the Management Committee and the process itself is carried out according to rules published in the company’s policy documents, this research was unable to gain access to any written MD policy.

7.5.4. Implementation of MD Plans

Examination of the documentary evidence available for the oil sector in 2007 show a figure of (6918) candidates for training within the Libya, during the year however (7123) candidates were sent on training courses this is an implementation rate of

(103%), this research cannot help feeling that training that does take place is simply for training's sake. The Waha Company has a Centre which provides local training to company staff in many professions this company has a long history in oil training and sent many high school graduates to the UK and USA for education and training. The Training Department undertakes the supervision and execution of both local and oil training plans for the company employees along with the preparation of studies and programmes relating to other areas of training and development. The Training Department at Waha is responsible for developing plans and training programs as is its counterpart at Repsol both are allocated an annual budget by the Libyan Government.

At Waha there is increased attention on development to prepare the annual training plan requirements that are made by the main departments and this expected to raise the efficiency of workers and increase their productive capacities as well as to impose the preparation and rehabilitation of national competencies to replace foreign expertise and management activities, (Information from telephone interviews March, 2012 see section 7.1). This training plan is prepared according to directives issued by the General People's Committee and the competent authorities, and stresses the emphasis on training within Libya and the benefits from the training possibilities available. The focus in the oil sector and in the national workforce is to develop 20% of the total national workforce annually. According to the national training policy 20% of company employees must 'subject to training' annually and 80% of that number must be trained internally and the other 20% externally, these facts also indicate a misguided emphasis on training for all. The Chairman of Management and Administrations in the Repsol Oil Corporation supports the preparation of the training plan for each department separately and that plan includes training and development both inside and outside the company, (Information from telephone interviews March, 2012 see section 7.1). This plan is then forwarded to the Administrative Committee, which in turn refer all plans returned to the Department for Training and Development in the company, to prepare according to regulations issued by the General People's Committee and the National Oil Corporation consistent with training needs and development of the sector companies. Once again there is no clear documentary evidence available for the figures pertaining to the development of managers. According to the literature reviewed some organisations offer absolutely nothing in the way of MD - no individual reviews, no plans for individual development, no annual review of succession, no nominations for courses whereas others provide a full range of formal opportunities. Inevitably, many

organisations fall in the middle, providing something but not everything, or providing for lower-level managers but not for the most senior. In the case of Libya this distinct lack of strategy or planning for management development is perhaps not surprising for like many other Arab states in the region, they have been preoccupied with their various national economic and social problems to the detriment of attention to managerial and organisational problems. However in implementing their national economic plans these countries need a large managerial workforce that has been developed and prepared effectively.

In the additional comments provided by managers who completed the questionnaires (see section 7.2) one of the respondents at REPSOL felt that the focus on the training of managers only started six years ago with the knowledge that there are companies in the oil sector where the ideas of this topic have been used since the 1980s to prepare and develop employees who will be managers. However a respondent at WAHA believed that there was no focus on MD at his company. A number of respondents at REPSOL offered their opinion of the ways and means that MD should be shaped in their company one suggested MD plans should be placed under the supervision of a dedicated team and the nature of the work of this team should be circulated throughout the company in all public and private areas. Another pointed out that a clear strategy and limited objectives was needed and therefore continuous training outside and during work is needed as is the provision of incentives both material and motivational.

7.5.5. Selection for and Methods and Approaches to MD

Although there is neither a written MD policy nor formal plans for MD available from either of the two companies studied, there is some form of development of managers taking place. The questions of particular importance are therefore, how are managers developed and how are they selected for this development additionally what methods and approaches are being used? According to the literature reviewed there are three main components to MD these are management education, management training, and on-the-job experiences. Traditionally, much of the activity directed towards learning in organisations relied to a considerable extent on off-the-job methods, typically those such as training courses, seminars and educational programmes. More recently, however there has been an increasing focus on work-based learning or what is often referred to as informal methods of learning, due to many of the limitations associated with formalised approaches. However critics point out, that off-the-job learning can

often be removed from the realities of the workplace, and may suffer in terms of transferring learning to use on the job, additionally it may often be seen as lacking relevance to learners' needs. Informal learning refers to learning which occurs on-the-job, and includes mechanisms such as mentoring, coaching, job rotation, job-shadowing and special projects or assignments.

The analysis of the questionnaire for this research (see section 7.2) shows that respondents at Waha gave mainly positive responses to the suggestions that in their company selection for MD should be based on, the individual manager's performance, his relationship with another member of staff, his experience, his qualifications or finally at the request of his superior. At Repsol respondents stated that annual reports/appraisals are the main thing taken into account. Later in the questionnaire when managers at both companies were once again asked to indicate factors they felt influenced selection for MD programmes in their companies. The factors although randomly distributed for the purpose of the question occupied two specific groupings. Grouping number one included: Having good professional knowledge; Quality of job performance; Level of academic qualification; Having initiative; Capacity to work with people and Seniority in the company. These categories the research felt are suggestive of a merit system based on the possession of a range of social skills and innate personal qualities Sisson & Storey, (1993). The second grouping included: Loyalty towards the company; Opinion of the bosses; Relationship to top managers; Favouritism and ethnic loyalty (tribalism) these the research felt were suggestive of (Pearce 1991; Woodall 1982) framework for selection based on 'connections' and not assessment of performance or procedural justice. Repsol managers disagreed with regard to the influence these factors have on the selection of managers in their company's but managers at Waha were shown statistically to be more positive in their responses and therefore more likely to agree. With particular regard to selection being based on a relationship with someone else in the organisation, Al-Faleh, (1987) points out that in his study 55% of the respondents expressed their dissatisfaction with policies used by their employing organisations where MD interventions were mainly influenced by the local culture, nepotism and favouritism rather than merit when it came to promoting employees. This tradition remains so strong that merit and qualifications are ultimately of little value in the promotion ladder. Even today in collectivist cultures like Libya there is in-group favouritism based on kinship or tribal ties Wilkins, (2001). The solution suggested to avoid problems in the selection procedure is not simply to import western

ideas and transplant them into another culture, Al-Ali & Taylor, (1997) this will only make matters worse. There need to be greater efforts towards developing effective roles in training and development which may require incentives and career development according to established criteria, a rigid system of participants' selection and assessment procedures along with better training and evaluation methods of staff, top management support is crucial to the success of these policies.

This researchers' review of the literature revealed that most organisations have now accepted the fact that it is essential to recognise that MD is more than a tactical or knee-jerk response to a skills gap and are increasingly using it as part of a wider strategy to achieve their longer-term aspirations Mabey & Finch-Lees, (2008). The most widely proposed method of achieving these aspirations is to embrace best practice and the three main features of this include facilitating strategic change, building learning organisations and creating intercultural competency. Mabey & Finch-Lees, (2008) also highlights the need to identify national approaches to MD and point out that the extent of isomorphic tendencies in management practices, arising from the pressures of global integration, will vary in different national contexts. There is now greater attention being paid to the significance of managing development as well as conducting development in unique organisational contexts. In practice, this means addressing the wider structural, political, social, and cultural barriers that 'interfere' with the organisation's objectives of changing managerial attitudes and behaviours and improving organisational performance (McClelland, 1994; Molander & Winterton, 1994). However, there are concerns that the formalised and highly structured approaches currently adopted may not be able to cope with the growing complexity and diversity that is becoming a characteristic of modern organisations (Woodall & Winstanley, 1998). What is required is a more contingent, holistic and systemic approach that links MD more firmly to a wider consideration of contextual influences and the unique context in which organisations are embedded (Doyle, 1995; 2000). Consequently MD programmes should be designed in a way that ensure that managers have the adaptability and flexibility of skills and disposition to move through often rapidly-changing managerial roles in order to stimulate a holistic and integrative approach to management tasks. Some managers do not accept that they themselves need to change their attitudes towards MD, which means that they are unlikely to be able to function effectively in a changing world, effectively meaning that MD that does not focus on attitudes will simply perpetuate old practices into new learning Mabey & Salaman (1995) ultimately

negating any new learning in the organisation. The effectiveness of an organisation's MD strategy implementation is based, at least in part, upon attaining a good match between the skills, attitudes and behaviours of managers and the competitive settings they face. The strategic importance of MD lies in its ability as a function to establish and maintain this match.

Mumford, (1997) describes three different types of approaches that are broadly representative of current interventions: the first is an informal or accidental process that has not been planned in advance and has no clear development objectives. Although it occurs within manager's activities it has no real clear developmental objective. The next is an integrated opportunistic process that also occurs within managerial activities but has an explicit intention as both task performance and developmental objectives are planned beforehand and subsequently reviewed. In the final approach formalised development again takes place which has been planned for and very often takes place away from normal managerial duties. Here also there is an explicit intention of development which is subsequently reviewed.

According to the responses to the general questions asked of them by telephone (see section 7.1) respondents pointed out that although training at Waha was generally carried out both internally and externally. There was a tendency in some departments for training to be more likely to take place off-the-job. Training at REPSOL was also generally carried out both internally and externally as well as on and off-the-job. This evidence was supported in the analysis of responses to the questionnaire when managers were asked a question about the methods of management development used in their company. The analysis showed differences between Waha and Respsol in this regard. Managers who completed the questionnaire at Waha indicated that both internal and external forms of management development and on and off the job training are always used at their company. The statistical tests results showed that Repsol respondents felt significantly differently. The review of the literature showed that traditionally, much of the activity directed towards learning in organisations relied to a considerable extent on off-the-job methods, typically those such as training courses, seminars and educational programmes. Respondents at both company's studied were asked which methods were used at their company to provide internal (off-the-job) training. The methods included were Lecture; Discussion; Role play; Case study and Management exercises. Respondents from Waha positively agreed that each of these methods of training were

used internally at their company in order to train managers' off-the-job. The major criticism of this form of training, as has been previously pointed out is, that off-the-job learning can often be removed from the realities of the workplace, and as such suffers in terms of transferring learning to use on the job, and may often be seen as lacking relevance to learners' needs.

7.5.6. Evaluation of MD

This researchers review of the literature revealed that perhaps the most important parts of any strategy, policy or plan for MD is the systematic mechanisms for accurately diagnosing group/individual training needs and an evaluation processes to ensure training remains high quality and business-focused. According to Garavan et al., (1999) evaluation is a necessary process to establish whether MD has been effective in meeting individual and organisational priorities, to enable judgements to be made about cost effectiveness, and to aid organisational learning and improvement, however systematic evaluation rarely occurs within organisations, Doyle, (1994). There are a number of approaches to evaluation which range from, objective, rigorous and scientific processes to those that are pragmatic, subjective and interpretative in orientation Garavan et al. (1999). There is a case that evaluation should adopt a holistic, contextual approach, and integrate internal and external factors so that the evaluation process is seen to adapt and renews itself. In European companies as well as in the UK the assessment of MD effectiveness is typically carried out by using appraisals, (Holden 1992; Raper et al. 1997). According to findings from Tamkin & Hillage, (1998) most UK companies MD occurred on a demand driven basis only, few companies had a clearly defined development strategy linked to organisational objectives. Additionally very few companies even set objectives for their programmes which they could then evaluate against and most significantly although the majority of those questioned rated training evaluation as very important, only a quarter were satisfied with the methods being used to evaluate training. For many companies it would seem that investment in MD management is largely an act of faith, Mabey & Finch-Lees, (2008) however they also point out that even an imperfect evaluation is better than no evaluation at all.

The documentary evidence available showed that among the general duties of the Training Department at Waha 'Evaluation of training programmes to take advantage of good programmes' was listed. There was no mention of this in any of the documentation available from Repsol. From the responses to the questionnaire, when

managers were asked to consider if MD in their company was evaluated from time to time the analysis of results shows that respondents at both Waha and Repsol gave similarly significant negative responses to this question and disagreed or strongly disagreed that this was the case in their companies.

A review of the literature indicated that the reality of management is that it is very often relatively disorganised, subject to short bursts of activity, not subject to neat discrete boxes of content or attention, not highly responsive to organised planning, and using a variety of half conscious network processes to get things done Mumford (1987). Therefore to be effective MD needs to take these realities aboard not only in terms of the content of the managerial activities which it is trying to get managers to do more effectively, but in terms of the nature of the processes which development encompasses. To rely on the design and implementation of neat formal structures of management development, which are then supposed to operate in a quite different form of managerial world, must now be seen as both unintelligent and irresponsible. The two main approaches offered in relation to the implementation of MD best practice: 'replication' and 'recreation'. The former implies a mechanistic process of organisational change towards a fixed, externally given endpoint, while the latter opens up the possibility for emerging local practices and outcomes. The most dominant perspective in current literature is 'replication', but there is an argument that undesired consequences are less likely when implementation is guided by the assumptions underlying the 'recreation' perspective Woodall (2005). Over the last twenty years has been the recognition that MD is most effective, when it matches the strategy or mission of an organisation, is then developed and implemented to facilitate the implementation and success of that strategy, Mumford & Gold (2004). The idea that an organisation ought to establish a clear statement of where it wants to get to and how it needs to get there is still fundamental to good management. Unfortunately in some situations where organisational objectives have been stated, these may bear little resemblance to the actual intentions and values of those initiating and sponsoring the development Lees (1992). It may be that linking corporate and MD strategy is an unfulfilled aspiration for most organisations, Mabey & Finch-Lees, (2008).

However it has been argued that when companies do manage to create a strategic role for MD, the performance benefits can be impressive, Mabey & Gooderman, (2005). From the responses to the questionnaire (see section 7.2), when managers were asked to

consider if MD in their company had the full support of top management; provided the quantity and quality of managers needed; created the necessary climate to develop managers and provided the right environment for managers self-development. The analysis of results shows that respondents at both Waha and Repsol gave similarly significant negative responses to this question and disagreed or strongly disagreed that this was the case in their companies.

7.5.7. The Applicability/ Transferability of Western MD

Because of globalisation, which was covered in great detail earlier in this chapter there is now, a simultaneous pursuit of global coordination and multinational responsiveness which creates a natural learning agenda for many organisations Mabey & Finch-Lees (2008). This agenda involves not only the sharing of information but also the joint implementation of strategy through an integrated network so that resources, products, information and people can flow freely between units. As was previously mentioned there is a case to belief that (MNCs) undoubtedly play a major role in the dissemination of HR practices, and parent companies will often use MD as corporate glue, Mabey & Finch-Lees (2008). However there is also case for suggesting that any attempts to implement management policies and practices produced in Western capitalist societies, into other environments and cultures are likely to end in failure, Branine (1996).

This researchers review of the literature revealed that the potential influence of multinational parent companies over host country management practices is likely to be powerful especially in the area of MD because this is typically seen as a way of exerting control and/or inculcating cultural expectations and building internationally skilled, high-potential managers who have been identified as vital to the company's future and survival. There is evidence which has established a tendency on the part of some of the subsidiaries, of MNC's, to adopt parent or 'best—practice' norms particularly in more macro-HRD practices like training needs analysis, management development delivery and evaluation procedures, while allowing their subsidiaries considerably greater autonomy in the local implementation of training. Furthermore US-based MNCs have been seen to diverge from their host country counterparts when they attempt to apply their parent company HRM practices to their subsidiaries in Western Europe Gooderham et al. (2004). Finally, it is well known that the economies of scale associated with MNCs permit access to a richer vein of resources for management development than is possible for many indigenous companies. In the 1990's even

though foreign experts and specialists in different fields were invited to work in China they were only expected to bring new knowledge, new technology and new skills not new policies or their own culture. The Chinese authorities imposed restrictions on foreign experts and created obstacles to the implementation of Western management development programmes in China, Branine (1996). It was felt important for Western visitors to try to understand the conditions in which the Chinese managers are expected to manage before telling them how to manage their enterprises properly.

Many of the countries in the Middle East region have management systems similar to most other developing countries which emphasise sensitivity to local cultural norms and restricted participation in decision making. There is however an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources. According to Abbas (1990), developing countries' quest for economic progress, they face many managerial and social problems in the context of management, two issues stand out. The first is the transfer of Western management techniques and practices and the other is the selection of an appropriate management style to achieve ambitious development goals. Although HRM in modern organisations is largely a Western concept, Metcalfe (2007) any nations HRM policies are established in relation to the socio-cultural context within which organisations operate and include the national culture, ideology, economic conditions and the legal system. There is a transferability of HRM ideas across cultures Aghila (2001) concluded' however Libyan organisations need to better improve their understanding of their subordinates' attitudes, desires and preferences in all aspects of their work environment rather than the limited way in which they do now if they are to motivate them to perform more effectively. Even though some writers namely (Jaeger. 1990; Adler, 1997; Harvey, 2002) disagree with Aghila (2001) and state that the transferability of Western originated management theories across nations is questionable Elgamal (2000) points out Arab management faces an ever-increasing challenge to keep up with modern management in developed countries due to globalisation.

Modern management theories and techniques generally have their roots in the developed countries, most notably the USA (Jaeger & Kanungo 1990). These theories and techniques of modern management have been imported by the developing countries to speed up their industrial development but many organisational practices and management programmes are based on an uncritical adoption of the experiences of the

economic growth model. This adoption has tended to take place without any consideration of the fundamental difference in socio-cultural constraints and local environmental conditions and circumstances. As a result of this uncritical use of western modern management theories and techniques not only have there been to organisational inefficiency and ineffectiveness in the developing countries, but there is resentment felt and a perception of being subject to cultural imperialism. Because of the impact of culture on management practices the influence it has on management behaviour, management practices in the developing countries can be very different from those of the developed countries. The overall picture is that there is a wide gap between the cultural values of developing countries and the values practised in the developed countries (Baruni, 1996). In a study carried out by Humphreys (1996) in which surveyed managers in the United Kingdom and Egypt, it was confirmed how significant a factor culture was. This research by Humphreys (1996) also indicated that western modern management models and concepts are not necessarily completely transferable to other cultures. The value of Humphreys' research lies in the fact Egypt and Libya share the common elements of Arab culture such as religion, language, habits and norms. Humphreys' survey found the cultural differences to be a complex, depending on factors such as the predominant religious beliefs of the country. He concluded that western management tools need to be adapted and refined to fit the cultural context of recipient countries, and argued that the central factor in the success or failure of intercultural encounters in management is inter-personal communication.

Turner & Trompenaars (1993) not only highlight the difference between different organisational cultures and the way they operate within different countries, but also shows that low context people appreciate explicit, clear written forms of communication, as provided by computers, books and letters. In contrast high context people such as the Japanese, Arabs and Southern Europeans divulge less information officially in written forms, but tend to be better informed than low context people, since they tend to develop extensive informal networks for exchanging information verbally, face to face, or by telephone. High context people are also more adept in interpreting non-verbal aspects of communication, and seeing the significance of what is implicit or not said, pauses, silence, tone, and other subtle communication signals. As part of the analysis for this research respondents were asked to consider external factors that would have an influence on management development activity in achieving its objectives. Among the factors where their country's social environment (customs, attitudes,

culture); continued advances in management sciences in the country and the transfer of management theories from other countries.

Interviewed respondents from both Waha and Repsol (see section 7.1) answered on average in a similarly negative fashion indicating that in their opinion these factors would have little or no effect on management development in their company. However from the documents gathered for this research amongst the duties of the training department at Repsol, it is pointed out that due to failures in providing appropriate areas for training locally there is need to implement the programs in advanced and sophisticated external views of internationally recognised expertise and advanced training. The proposal to implement the programs in advanced and sophisticated external views of internationally recognised expertise and advanced training suggests a willingness to transfer management theories from other countries and a willingness to identify continued advances in management sciences in their country. One of the main aims of this research was to discover if Western modern management practices are applicable/transferable to the Libyan context and to what extent, if any this has occurred.

7.6. Summary of Findings

Both internal and external factors that can impact on MD were presented in this chapter and highlighted in the conceptual framework (see Figure 7.1 page 199). Information gathered from the literature reviewed, documentary evidence attained and the findings from the interviews carried out and the questionnaires distributed at the cases investigated have been analysed and discussed. The intention of this thesis was to increase interest in management development and human resources development in Libya. By developing and improving performance in Libyan human resources to achieve the required level of effectiveness, and to attain organisational competitiveness in the world economy. The research carried out was an evaluation to assess the worth or value of management development, a flexible design was used and two companies in Libya were investigated to develop generalisation that contributes to theory and enabled a prediction, explanation, and better understanding of a phenomenon.

As a result of this research it is clear that with the increasing globalisation of markets and liberalisation of local economies, it has become necessary for businesses all over the world to further develop their competitive strategies. Central to the success

of any modern organisation, management development (MD) as it ensures that the work-force is capable of responding to the competitive needs of the increasingly global framework in which modern organisations function.

This particular sector was chosen to be studied for this thesis because as Libya is in a transitional phase at the moment from a central economy to a free market economy and more research in the area of management in this sector was required as the oil industry is the driving force behind the economy. The justification for this research comes from the increasing interest in MD and HRD in general and in Libya in particular.

Development of human resources was considered at both the individual as well as the organisational level because there has been tremendous attention has been paid to national economic and social problems, but less to managerial problems (Aagnaia, 1997). The literature reviewed concerning HRD indicates it is generally preoccupied with identifying the factors that trigger HRD activity and proving that there is a causal link between human resource development investment and organisational and business performance.

An important aspect of the research carried out were the documents gathered from the National Oil Corporation (NOC), (see section 5.7) these documents as well as the reports from both companies were used to discover aspects of human resource development activity at the cases studied. In Libya the training activities promoted throughout the oil sector by the NOC are intended to raise the level of competence and efficiency of manpower both technically and administratively. The areas discussed during the interviews carried out (see section 5.7) included the structure staffing and organisational culture of the companies, and the nature of its processes and activities.

Both of the cases studied are integral players in Libya's oil industry and allocated an annual budget by the Libyan Government as a result they are expected to follow the guidance supplied by Government through the NOC. From the responses supplied by the managers interviewed on the phone the Training Department within The WAHA Oil Company is responsible for developing plans and training programs and is allocated an annual budget. According to the responses to the general questions asked of them by telephone, respondents pointed out that although training at Waha was generally carried out both internally and externally. There was a tendency in some departments for

internal training to be more likely to take place off-the-job. One of the aims of this research was to consider any comparisons between the two companies studied it is interesting to note that in the information supplied by the managers interviewed by telephone at The Repsol Oil Operations their responses are almost exactly the same as that supplied by managers at the other case studied. Just like at Waha the Training Department at Repsol is responsible for developing plans and training programs. Training here according to the managers questioned was generally carried out both internally and externally as well as on and off-the-job. Trainees were expected to contribute to the cost of their training in certain circumstances typically when the candidate did not fulfill the terms of the training contract, or if they took too long on their courses they would be required to repay any training costs when they left the company. Both companies studied receive funding from the NOC to ensure nationally proscribed training targets are met.

The main data collection tool was the questionnaire (see section 5.7 that was delivered by hand to each respondent and any initial doubts that the respondents might have on any question were clarified on the spot. The research topic was introduced to each individual who took part and they were and motivated to offer their frank answers by assuring them of anonymity. The clear layout of the questionnaire form and the provision of a lucid explanation of the purpose of the questionnaire, as well as careful planning and execution of the administration of the questionnaire, in conjunction with pilot testing removed any ambiguities. In order to check the reliability of the questionnaire and to see if there was consistency in the measuring of the items (variables) a Cronbach's *alpha*, test was carried out. Implementation of MD was one of the factors considered as being relevant to the comparison of both companies' respondents. Another factor considered of importance in a comparison of MD at both companies was the methods of management development used. Selection for management development was considered of the utmost importance in the comparison of both companies. The Mann-Whitney test shows that the scores made of constructs on average showed no significant difference between the two companies. The support of top management was a common factor that was of the highest importance with regard to management development. Another significant factor that was considered important for the comparison was the transferral of management theories from other countries.

The conceptual framework adopted implies that both the external factors of globalisation as well as international and national human resource development and the internal factors of organisational human resource development and management development selection, method and approach, as well as the applicability or transferability of Western management development practices be taken into account.

The review of the literature informed this research that external factors such as globalisation and culture have created a need for greater cross-cultural communication and necessitated greater awareness of diverse management and business values as important aspects of competitiveness at a national level.

It also indicated that globalisation reveals patterns of 'uneven' economic and social development and highlights the disparities in education and skill levels across countries. Furthermore there is a need for greater competitiveness in the organisations of developing countries and this increased the pressures on managers to develop appropriate HRM responses, globalisation and its accompanying economic liberalisation have been the driving force behind the transformation of HRM in a number of countries.

By carrying out a review of the literature this research also discovered that HRD at national level is very much culture bound Wang & McLean, (2007) and that just as there are external factors such as globalisation, international and national HRD that have an impact on the management development equally there are internal factors that also have an effect. At the national level, the aim of management development is to create a supply of sufficiently trained and developed managers to improve corporate competitiveness and aid national economic recovery. At the group level management development may seek technical or social change in particular functions or at different levels, or even large scale change across the entire organisation. At the individual manager level, the intention of management development is to be pro-active by imparting new knowledge, skills or attitudes, although it can also be remedial by trying to eliminate identified weaknesses. The review of the literature concerning the measures available to companies setting out their MD policy document points towards growth in the use of and efficacy of what might be termed 'best-practices', including: care given to the diagnosis and design of training, career development opportunities and the subsequent evaluation of MD activity. The review of the literature revealed that

most organisations have now accepted the fact that it is essential to recognise that MD is more than a tactical or knee-jerk response to a skills gap and are increasingly using it as part of a wider strategy to achieve their longer-term aspirations. The review of the literature also revealed that perhaps the most important parts of any strategy, policy or plan for MD is the systematic mechanisms for accurately diagnosing group/individual training needs and an evaluation processes to ensure training remains high quality and business-focused. Because of globalisation, there is now, a simultaneous pursuit of global coordination and multinational responsiveness which creates a natural learning agenda for many organisations.

Although there is neither a written MD policy nor formal plans for MD available from either of the two companies studied, there is some form of development of managers taking place. The analysis of the questionnaire for this research (see section 7.2) shows that respondents at Waha gave mainly positive responses to the suggestions that in their company selection for MD should be based on, the individual manager's performance, his relationship with another member of staff, his experience, his qualifications or finally at the request of his superior. Even today in collectivist cultures like Libya there is in-group favouritism based on kinship or tribal ties.

This research argues that an organisational emphasis on the MD function is central to developing economies like Libya into order for them to move into a more competitive position in the global economy. Organisations that give priority to MD are likely to be more successful in meeting their own goals and also to be among the chief actors driving the whole economy as it moves into internationally competitive markets. Additionally MD must bear strategic importance and be used as a competitive weapon for continued organisational survival and success. MD programmes therefore, must be designed to increase managerial effectiveness by providing the working managers with additional knowledge and skills. The next chapter concludes the thesis as whole, the conclusions drawn are made with regard to the aims and objectives and theory set out for this research. The contribution of this research based on the conclusions drawn will be presented, before moving on to the limitations that have become apparent and the recommendations that can be made as a result of this study. Finally this research also gives suggestions and recommendations for future research in the area of Libyan management development.

CHAPTER EIGHT

CONCLUSIONS, LIMITATIONS, CONTRIBUTION AND RECOMMENDATIONS

8.0. Introduction

As this chapter concludes the thesis as a whole it revisits the need for this research, the theory that was being tested, the aims and objectives set, the literature reviewed and the results of the findings of the analysis. Narrative from the main text is reiterated conclusions are drawn and the limitations and contribution of the research are highlighted, finally recommendations are made regarding the direction of any future research in this area.

The area investigated for this research was MD due to the increasing interest in this area and human resources development in general in Libya. Both HRD and MD are seen as ways to develop, improve, and upgrade performance of human resources to achieve the required level of effectiveness, and to remain competitive in the world economy. Organisational success is highly dependent on the effectiveness of its individuals who are responsible for running their duties O'Reilly & Pfeffer, (2000). Training and development should be considered a part of career development for managers that include both analytic and experiential side of management, Armstrong, (2003). There is an unresolved debate regarding best human resources management models verses contingent, resource-based views and firm specific approaches and Dyer and Reeves, (1995) and Wright et al, (2003) argued that there is still a need for many other empirical studies in the field of human resources development since very little empirical research has been done.

Libya has for many years been attempting to diversify its economic base, and shift the emphasis from the oil sector as the only means of economic growth unfortunately it has largely neglected the human factor. Much attention has been paid to national economic and social problems, but less to managerial problems (Aagnaia, 1997). According to the United Nations, Libya's co-operation framework for 2003-2005 raises human resource development and capacity building as one of the main issues (UN, 2002). However despite higher spending on education than most other world regions, major concerns persist including inadequate coverage, high failure and repetition rates, poor quality and a low level of knowledge attainment and limited analytical and innovative capacity

(NHDR, 2003). The main objectives of this research were to examine the Libyan environment and culture to discover their influence on human resource as well as management development. Conduct an exploration of the relevant cultural, social, economic and political factors necessary to an understanding of management development practices in Libya and other countries. Carry out a review of human resource and management development literature to provide a foundation for critically examining practices in Libya. Complete an analysis of the current management development practices in the Libya and explore the theory that convergence in human resource practice due to globalisation will lead to the transfer of Western management development models to the Libyan context. The main outcome of the research was to discover if these practices are applicable/transferable and to what extent, if any this has occurred. The effects of globalisation on organisations worldwide were a significant factor as was Libya's opening up to the West. The research project was carried out in the oil sector which has a particular importance to countries economic prosperity and should be the first place that management development takes place, but equally would be the best place for the transfer of Western management practice to occur.

8.1 The Current Body of Knowledge

A particular objective of this research was to review the current body of knowledge in management development (MD) to critically examine practices in Libyan oil sector. Furthermore as changes in the pace of the world, with the technological revolution, and the growth of the knowledge economy (Lepak & Snell, 2003) have also highlighted learning and development's central role with regard to skills and capabilities, the value of knowledge for societies, organisations, and individuals also had to be highlighted. Globalisation also serves to highlight the fact that economic and social developments are uneven and shows the disparities which exist in education and skill levels across countries (Stiglitz, 2002; UNDP, 2003b; World Bank, 2003). In many countries there have been significant changes and economic and social developments (Schlumberger 2000) due to trade liberalisation, and the modification of economic policy regulations. In a number of African countries these factors are still being handled by Governments, who see them as means to maintain control over economic agents and interactions (Schlumberger 2000) in order to sustain the political and economic hegemony of the ruling elites. Liberalisation in Libya had been fairly limited (Terterov & Wallace 2002) but there were until recently many signs of a conciliatory approach being adopted by the Government towards MNC's.

Investments from companies around the World are regarded as a means to develop certain sectors of the economy in order to ensure such investment continues Libya needs to offer an open and reliable business environment (Russo 2007) to realise its full economic potential but recent events in Libya have adversely effected this process.

HRD at national level is very much culture bound (Wang & McLean 2007) therefore individual companies working in one nation are free to develop their own understanding of HRD. When a nation is the targeted performance system (Garavan et al. 2004) the purpose of HRD is to develop and unleash human expertise for national economic performance, political and social development, growth, and well-being by enabling and enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organisations and the nation as a whole. Therefore the main concerns are an adequate provision of education and development to increase national competitiveness as well as to enhance citizens' quality of life (Garavan et al. 2004).

At the organisational level there is a mounting pressure being placed on managers in developing countries like Libya to increase organisational competitiveness (Scullion and Lineham 2005) by implementing appropriate HRM responses. Globalisation and its accompanying economic liberalisation have been seen as the driving force behind the transformation of HRM in these countries. The inclination of firms which have come under pressure from economic liberalisation has been to look to human resource development for an answer rather than to human resource management (Singh 2004).

In Libya there has been a shortage of appropriately trained managers that make the returns of investment in the industrial base woefully inadequate Agnaia (1998). Additional problems that exist in the development of managers in Libya are the fact that some managers are reluctant to attend training and development courses, because they see this as an admission of incompetence, Agnaia (1997) with obvious unfavourable consequences for their careers and social status. Change within government departments and institutions UNDP Report 1994 has also create instability within Libyan management development programs. Responsibility for management training and development is split between three Government departments, Education, Planning and the Treasury according to the Report. This has led to organisations having major difficulties getting the information and finances they required.

A further problem is the reliance placed on traditional conventional approaches to management development says the Report. Although there are a number of set rationales for management development, the functional performance rationale is by far the most popular (Garavan et al. 1999) it argues that the intention of MD is to directly improve managerial functioning and thereby corporate performance, in fact for many it is the only rationale.

8.2 Libyan Culture and Environment

The next objective of this thesis was to examine Libyan culture and environment to discover their influence on human resource and management development.

Hofstede grouped a number of countries together to create his category of Arab countries, Libya was one of those included, so his analysis provides a strong starting point for any discussion of Libyan culture and indicates that Libya shares some cultural characteristics with other Arab and African countries. The cultural relevance of religion which (Hofstede 2001), minimised is seen by Humphreys (1996), to be the major source of cultural perspective. Additionally there are many differences in national culture characteristics in cross cultural comparisons between eastern and western countries. A number of previous studies suggest that organisational culture is significantly influenced by the national culture at which the organisation is located. The value of Humphreys' research lies in the fact that Egyptian and Libyan culture are very close as the two countries are neighbours, in North Africa, and share the common elements of Arab culture, such as religion, language, habits and norms.

Humphreys' concluded that western management tools need to be adapted and refined to fit the cultural context of recipient countries, and argued that the central factor in the success or failure of intercultural encounters in management is inter-personal communication. Therefore it has been argued that there is no benefit in Libyan oil companies from imported management packages, since they have not been adjusted to suit Libyan culture, and there is a need to recognise that management practices and techniques are dictated by a unique construction of different cultural and institutional factors, and that those developed in the context of western cultural values, cannot be adopted in developing countries like Libya. This discussion of culture leads to the need to seriously consider the transferability of Western management models which was also an objective of this thesis.

8.3 Transferability of Western MD Models

In order to answer the next objective set for this research it was important to consider the transferability of western MD models to the Libyan context, the question of culture has always been a significant barrier to transferability and this researcher found that nepotism and tribalism were particular problems.

According to Lindholm (2000) there have been a number of researchers who applied Hofstede's cultural dimensions to their studies and found them useful in understanding cultural differences and the transferability of management practices. In his study of links in the Libyan context between job satisfaction and organisational commitment as well as a link between job satisfaction and job performance Aghile (2001) concluded that there is a transferability of HRM ideas across cultures. However managers in Libyan organisations need to better improve their understanding of their subordinates' attitudes, desires and preferences in all aspects of their work environment rather than the limited way in which they do now if they are to motivate them to perform more effectively (Aghile, 2001). Religions also has an influence on the socio-cultural characteristic of any nations people and institutions, this is particularly relevant in Islamic countries, a fact that is highly relevant in any discussion of transferability of management development theories, (Tayeb 1997). A number of studies have indicated that Arab countries exhibit higher levels of loyalty toward community (or collectivistic orientation), power distance, and paternalism. As a result, organisations are managed by fulfilling personal obligations toward in-group members rather than meeting organisational needs (Hayajenh et al., 1994).

This researchers review of the literature revealed that the potential influence of multinational parent companies over host country management practices is likely to be powerful especially in the area of MD because this is typically seen as a way of exerting control and/or inculcating cultural expectations and building internationally skilled, high-potential managers who have been identified as vital to the company's future and survival. Many of the countries in the Middle East region have management systems similar to most other developing countries which emphasise sensitivity to local cultural norms and restricted participation in decision making. There is however an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources. According to Abbas (1990), developing countries' quest for economic progress, they face many managerial and social problems in the

context of management, two issues stand out. The first is the transfer of Western management techniques and practices and the other is the selection of an appropriate management style to achieve ambitious development goals. Even though some writers namely (Jaeger, 1990; Adler, 1997; Harvey, 2002) disagree with Aghila (2001) and state that the transferability of Western originated management theories across nations is questionable Elgamal (2000) points out Arab management faces an ever-increasing challenge to keep up with modern management in developed countries due to globalisation. The review of the literature informed this research that external factors such globalisation and culture have created a need for greater cross-cultural communication and necessitated greater awareness of diverse management and business values as important aspects of competitiveness at a national level.

It also indicated that globalisation reveals patterns of 'uneven' economic and social development and highlights the disparities in education and skill levels across countries. Furthermore there is a need for greater competitiveness in the organisations of developing countries and this increased the pressures on managers to develop appropriate HRM responses, globalisation and its accompanying economic liberalisation have been the driving force behind the transformation of HRM in a number of countries.

This research revealed that in Libya there is a reluctance among trainees for mainly social and cultural reasons to attend management training courses, this Abuznaid, (1994) argues is because religion has a great impact on human behaviour, social interactions and social relations. Islam as a religion and a way of life has an influence on the political, economic and educational system as well as other cultural aspects of Arab and Muslim societies. There is an immense impact by Islamic values, Islamic work ethics and Islamic principles on the management of human resources. Another important factor to be revealed linked to the cultural barrier to the transferability debate is nepotism.

The analysis of the questionnaire for this research (see section 7.2) shows that respondents at Waha gave mainly positive responses to the suggestions of what their company selection for MD should be based on. A number of factors were suggested randomly distributed for the purpose of the question and they occupied two specific groupings. The categories were suggestive of a merit system based on the possession of

a range of social skills and innate personal qualities Sisson & Storey, (1993). As well as (Pearce 1991; Woodall 1982) framework for selection based on 'connections' and not assessment of performance or procedural justice. Repsol managers disagreed with regard to the influence these factors have on the selection of managers in their company's but managers at Waha were shown statistically to be more positive in their responses and therefore more likely to agree with the particular regard to selection being based on a relationship with someone else in the organisation. The evidence gathered suggests respondent's dissatisfaction with policies used by their employing organisations where MD interventions were mainly influenced by the local culture, nepotism and favouritism rather than merit when it came to promoting employees. The solution suggested to avoid problems in the selection procedure is not simply to import western ideas and transplant them into another culture, Al-Ali & Taylor, (1997) this will only make matters worse. There need to be greater efforts towards developing effective roles in training and development which may require incentives and career development according to established criteria, a rigid system of participants' selection and assessment procedures along with better training and evaluation methods of staff, top management support is crucial to the success of these policies.

8.4 Factors Affecting The Effective Implementation of MD

Another objective set for this thesis was to study the impact of external factors (Political, Social, Economic and Technological) and internal factors towards effective implementation of management development in Libyan oil companies.

Management development at the national level is expected to deliver sufficiently trained and developed managers to improve corporate competitiveness and aid national economic recovery. At the organisational level MD involves technical or social change in particular functions or at different levels, or even large scale change across the entire organisation. At the individual manager level, the intention of MD management is to impart new knowledge, skills or attitudes, although it can also be remedial and try to eliminate identified weaknesses (Woodall & Winstanley 1998). Management development bridges the gap between organisational development which emphasises the needs of an organisation to grow and change, and self-development that focuses on ways in which an individual can help themselves to grow and change (Woodall & Winstanley 1998). In Libya the reluctance among trainees to attend management

training courses is because of social and cultural reasons, this is also because religion has a great impact on human behaviour, social interactions and social relations (Abuznaid 1994).

There is a much more strategic view of MD required from those who manage and lead organisations due to globalisation and the new opportunities for growth and prosperity presented to many organisations. The task for those who manage and lead organisations therefore (Salaman, 1995; Rosenfeld and Wilson, 1999) is to have a clear mission which is linked to a set of strategic business goals that enable their organisation to acquire, control and allocate resources to maximise the opportunities available and to minimise any threats to their survival and success. In the bid to equip managers with the knowledge and skills to do this, MD has become a strategic imperative within many organisations (Woodall & Winstanley 1998).

The determination of MD policy will very much depend on the way an organisation responds to competitive pressures and the performance gaps these pressures expose (Pettigrew et al. 1988). The interplay of competing and contested views, together with the influence of external environmental forces, will shape the pathway of training strategies and implementation in a given organisation but investment in management training does not automatically translate into improved performance (Thomson et al. 2001). The lack of success from MD can be due to a poor matching of training provision to managers' requirements; a failure to understand the situational factors that shape behaviour; mixed motives on the part of senior management for investing in MD; collusion between what the organisation thinks it wants in the way of MD and what external/internal providers actually deliver (Thomson et al. 2001). MD is most effective when it matches the strategy or mission of an organisation, Harrison (2002) and indeed is planned for developed and implemented in order to facilitate the implementation and success of that strategy. In the Libyan oil sector the National Oil Corporation (NOC) organises, controls and funds training and development NOC Report 2007. There are legal requirements stipulated that indicate the numbers and proportions of employees who will be trained each year NOC Report 2007 and whether this training is to take place internally or externally. The General People's Committee and the competent authorities, stress the emphasis on training within Libya and the benefits from the training possibilities available. This research was unable to acquire any information regarding MD in particular at either of the cases studied. The level of training that

appears to take place in the country as a whole and the legal requirements in place to ensure that training takes place, indicates that, the training that does take place is simply for training's sake.

In the companies studied a training plan is prepared according to directives issued by the General People's Committee and the competent authorities, and stresses the emphasis on training within Libya and the benefits from the training possibilities available. The focus in the oil sector and in the national workforce is to develop 20% of the total national workforce annually. According to the national training policy 20% of company employees must 'subject to training' annually and 80% of that number must be trained internally and the other 20% externally, these facts also indicate a misguided emphasis on training for all. There is no clear documentary evidence available from either of the companies for the figures pertaining to the development of managers this is possibly due to the fact that high context people such as the Japanese, Arabs and Southern Europeans divulge less information officially in written forms.

This distinct lack of strategy or planning for management development is perhaps not surprising for like many other Arab sates in the region, the Libyan government has been preoccupied with various national economic and social problems UNDO Report 2000 to the detriment of attention to managerial and organisational problems. However in implementing their national economic plans Libya needs a large managerial workforce that has been developed and prepared effectively. Further information from the managers questioned revealed that at REPSOL the focus on the training of managers only started six years ago and at WAHA there is no focus on MD at all. There is a need for MD plans to be placed under the supervision of a dedicated team and the nature of the work of this team should be circulated throughout the company in all public and private areas in the opinion of one of the managers questioned. Another pointed out that a clear strategy and limited objectives was needed and therefore continuous training outside and during work is needed as is the provision of incentives both material and motivational. Although there is neither a formal written plan nor strategic policy document available to scrutinise from either of the companies studied, there is evidence of some form of development of managers taking place.

The three main components to MD are management education, management training, and on-the-job experiences (De Simone et al, 2002. Much of the activity directed

towards learning in organisations has traditionally relied on off-the-job methods, typically training courses, seminars and educational programmes (Ramirez 2004). Now there seems to be a greater focus informal or work-based learning due to many of the limitations associated with formalised approaches. The main criticism of off-the-job learning is that it is often removed from the realities of the workplace, and therefore can be limited in terms of transferring learning to be used in a practical setting on the job (Ramirez 2004). Off-the-job learning is also seen as lacking relevance to learners' needs. Informal or on-the-job learning refers to mechanisms such as mentoring, coaching, job rotation, job-shadowing and special projects or assignments (Marsick and Watkins 1997).

Therefore MD programmes should be designed in a way that ensure that managers have the adaptability and flexibility of skills and disposition to move through often rapidly-changing managerial roles (Harrison 2002) in order to stimulate a holistic and integrative approach to management tasks. There is reluctance among some managers in Libya to accept that they themselves need to change their attitudes towards MD (Agnaiia 1997). But most organisations now realise the importance of recognising that MD is more than a tactical or knee-jerk response to a skills gap and are increasingly using it as part of a wider strategy to achieve their longer-term aspirations (Mabey & Finch-Lees 2008). The most widely proposed method of achieving these aspirations is to embrace best practice and the three main features of this include facilitating strategic change, building learning organisations and creating intercultural competency (Mabey & Finch-Lees 2008). More attention is now being given to the significance of managing development as well as conducting development in unique organisational contexts. In practice, this means addressing the wider structural, political, social, and cultural barriers that 'interfere' with the organisation's objectives of changing managerial attitudes and behaviours and improving organisational performance. There are three different types of approach that are broadly representative of current MD interventions (Mumford 1987) in both companies studied their approach is the first, which is, an informal or accidental process that has not been planned in advance and has no clear development objectives. Although it occurs within manager's activities it has no real clear developmental objective. Much more acceptable would be for them both to consider either the next approach which is an integrated opportunistic process that also occurs within managerial activities but has an explicit intention as both task

performance and developmental objectives are planned beforehand and subsequently reviewed. Or they should both adopt the final approach where formalised development again takes place which has been planned for and very often happens away from normal managerial duties. Here also there is an explicit intention of development which is subsequently reviewed.

The reality of management is of course that that it is very often relatively disorganised, (Mumford 1987) subject to short bursts of activity, not subject to neat discrete boxes of content or attention, nor highly responsive to organised planning, and uses a variety of half conscious network processes to get things done. In order to be effective MD needs to take these realities aboard. The two main approaches offered in relation to the implementation of MD best practice are ‘replication’ and ‘recreation’. Replication implies a process of organisational change dictated by an outside agency, (Woodall 2005) while recreation recommends the possibility of implementing home grown local practices. MD must be closely matched to the strategy or mission of an organisation, to be most effective it can then be developed and implemented to facilitate the implementation and success of that strategy. This idea that an organisation ought to establish a clear mission of where it wants to get to and how it needs to get there is still fundamental to good management. Unfortunately in some situations where organisational objectives have been stated, these may bear little resemblance to the actual intentions and values of those initiating and sponsoring the development (Lees 1992). It may be that linking corporate mission and MD strategy is an unfulfilled aspiration for most organisations. However when companies do manage to create a strategic role for MD, the performance benefits can be impressive, (Mabey & Gooderham 2005) but there is a strong case for suggesting that any attempts to implement management policies and practices produced in Western capitalist societies, into other environments and cultures are likely to end in failure (Branine 1996).

The potential influence of multinational parent companies over host country management practices is likely to be powerful especially in the area of MD because this is typically seen as a way of exerting control and/or inculcating cultural expectations and building internationally skilled, high-potential managers who have been identified as vital to the company’s future and survival (Gooderham et al. 2004). There is evidence which has established a tendency on the part of some of the subsidiaries, of MNC’s, to adopt parent or ‘best—practice’ norms particularly in more macro-HRD practices like

training needs analysis, management development delivery and evaluation procedures, while allowing their subsidiaries considerably greater autonomy in the local implementation of training. Although there are countries in the Middle East region who have management systems similar to developing countries (Budhwar and Mellahi 2007) many nations HRM policies are established in relation to the socio-cultural context within which organisations operate and include the national culture, ideology, economic conditions and the legal system (Metcalf 2007).

As was previously mentioned some writers believe there is a transferability of HRM ideas across cultures others disagree with this belief and state that the transferability of Western originated management theories across nations is questionable. (Jaeger. 1990; Adler, 1997; Aghila, 2001; Harvey, 2002)) However management in many Arab countries faces an ever-increasing challenge to keep up with modern management in developed countries Elgamal 2000 due to globalisation. The theories and techniques of modern management generally have their roots in the developed countries, (Jaeger & Kanungo 1990) in the USA. Due to the uncritical use of western modern management theories and techniques many developing countries have suffered organisational inefficiency and ineffectiveness, also in some there is resentment felt and a perception of being subject to cultural imperialism. The overall picture is that there is a wide gap between the cultural values of developing countries and the values practised in the developed countries.

Any organisation's business strategy will be geared to its current capability given the state of flux in the internal environment. The means by which an organisation develops its managers in the long-term and addresses skills gaps in the short term are key determinants of its market performance. The central elements of this typically include: priority given to manager development at a strategic level; senior endorsement via a written management development policy; systematic mechanisms for accurately diagnosing group/individual training needs; evaluation processes to ensure training remains high quality and business-focused; and serious attention given to the implementation of training activities.

The most important parts of any strategy, policy or plan for MD is evaluation, however systematic evaluation rarely occurs within organisations. According to Garavan et al. (1999) evaluation is a necessary process to establish whether MD has been effective in

meeting individual and organisational priorities, to enable judgements to be made about cost effectiveness, and to aid organisational learning and improvement. However despite the fact that the clarity of organisational objectives in terms of MD has led to an increased emphasis on the evaluation of return on investment, (Beddowes 1994), systematic evaluation rarely occurs within organisations, (Doyle 1999). Possible approaches to evaluation range from, the objective, rigorous and scientific processes to those that are pragmatic, subjective and interpretative. Few companies have a clearly defined development strategy linked to organisational objectives or set objectives for their programmes which they then evaluate. Although if they were asked they would say evaluation is very important, very few are satisfied with the methods being used to evaluate training. Evaluation should adopt a holistic, contextual approach, and integrate internal and external factors so that the process is seen to adapt and renew itself. For many companies it would seem that investment in MD is largely an act of faith, but even an imperfect approach to evaluation is better than no evaluation at all. There is no evaluation of any sort taking place at either WAHA or REPSOL. With regard to whether MD had the full support of top management or that it provided the quantity and quality of managers needed for the organisation or that it created the necessary climate to develop managers and provided the right environment for managers' self-development. The analysis of results shows that respondents at both WAHA and REPSOL gave similarly significant negative responses to this question and disagreed or strongly disagreed that this was the case in their companies.

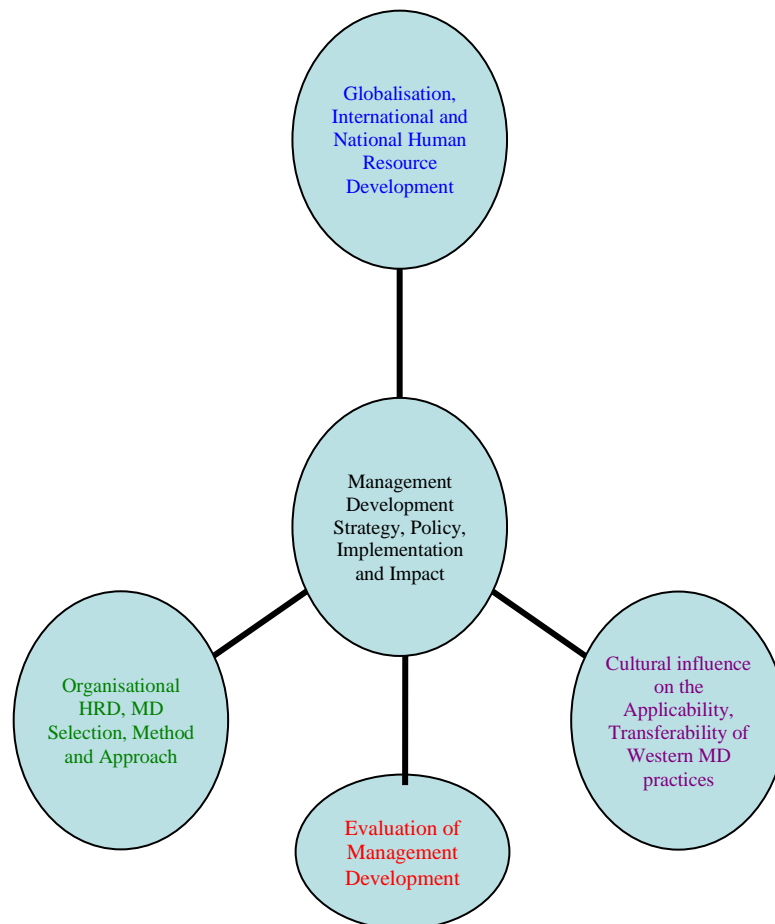
8.5 The Conceptual Framework

The final objective of this thesis was to develop a framework to enable adaptation of management development to improve practices in the Libyan Oil sector.

Initially a framework was devised to guide the direction of thesis and started with the fact that national HRD which is based on the culture prevalent in country will affect MD as will the sector in which an organisation operates. This then led the consideration of management development organisation strategy and its objectives. These factors of course are affected by the demand for performance improvement in increasingly competitive markets brought about by globalisation. Global influences which are brought to bear on national, organisational and even managerial culture will also impact on the applicability and transferability of MD strategy, policy, theory, models and

approaches. The values, responsibilities, boundaries and even the purpose of MD can be viewed differently by, nations, sectors, organisations and even individual managers, all of which will influence its implementation (see Figure 8.1).

Figure 8.1 The Conceptual Framework For Further Research



The conceptual framework detailed within this chapter was developed and allows further researchers to synthesise key themes, which lead them to a better understanding of the management development. It has been developed by fully utilising existing theory and knowledge, to act as the basic structural model incorporating the themes identified and the inter-relationships between them. The proposed framework for the current study combined a group of factors under the umbrella of the main themes that emerged from the literature review and is the logic of the necessary steps utilised to make sense of integrating and re-arranging ideas, factors, and issues. A theoretical framework helped the researcher recognise the differences between the existing knowledge and ongoing research. The use of a conceptual framework, gave the

investigation structure which can now become part of a line or tradition of inquiry, which other researchers can check, replicate or build upon.

8.6. Limitations of The Research

There is undoubtedly an increasing interest in management development and human resources development in Libya in particular, to develop, improve, and upgrade performance of human resources to achieve the required level of effectiveness, and to remain competitive in the world economy. However an evaluation of just two comparative cases proved to be insufficient. Even though the justification for the use of a case study design is a tried and tested strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context and offered this research the ability to generate answers to the ‘why?’ as well as the ‘what?’ and ‘how’ questions. The identified population of people selected and the procedures whereby the sample taken would reflect the characteristics of the wider population where the main problem.

In this research an evaluation of just two comparative cases proved to be insufficient.

The fact that almost 100 managers based throughout the country in various sections of both companies were to be questioned tipped the balance for a self completion questionnaire to be the main data collection tool. On reflection even with the restriction of time constraints and the geographical locations of respondents, it would have been better to interview a smaller number of respondents.

The telephone conversations carried out with ten managers at each company only allowed this researcher the opportunity to gather a limited amount of information about the specifics of MD processes. A wider sample of cases would have allowed face to face interviews to be carried out with a larger number of selected managers and the use of a mail questionnaire, distributed to larger number of respondents would have ensured that the collection of more detailed quantitative information.

The two companies to be studied were selected due to the fact that one is a totally state controlled oil company and the other has a consortium of European investors involved with it. This research now believes that contacts should have been made with a broader base of companies in both the public's and private sectors to allow a more diverse spread of opinion about management development in Libya.

The most significant factor which has led to a major limitation in the study has been the Libyan war of 2011 which made it very difficult to connect and interact with companies and managers in Libya.

8.7. Contribution of This Research

Despite the limitations of this study the research was still able to achieve the main aims and objectives which were carry out an examination of Libyan culture and the Libyan environment. The key contributions to knowledge from this thesis are the exploration of the related cultural, social, economic and political factors relevant to the understanding of management development practices in Libya and other countries. Additionally, the review the literature of human resource and management development in general, the findings from the cases studied and the development of a conceptual framework to provide a foundation for critically examining MD practices will allow others to follow in developing the field.

A major contribution of this research to the debate on the effect of the culture prevalent in country on MD is the influence nepotism and tribalism plays in organisational HRD. Increasingly performance improvement is demanded by organisations as competitive markets are brought about by globalisation. This global influence which is brought to bear on national, organisational and even managerial culture will impact on the applicability and transferability of MD strategy, policy, theory, models and approaches. However values, responsibilities, boundaries and even the purpose of MD are viewed differently by, nations, sectors, organisations and even individual managers, all of which will influence its implementation. An additional contribution of this study however is the fact that it has added to the knowledge of MD in the Middle East, Arab region and Libya. This study provides a greater understanding of the culture of training within Libyan organisations. It also highlighted the fact that Libyan industrial companies, like those in many other developing countries, are owned, managed and supervised by government institutions, and consequently the management development units within these companies are negatively influenced. Finally (Aгнаia 1997) pointed out that management training in Libya, as a system, can only succeed in its purpose, if the managers and leaders it creates can deal with the external environment in the country and respond to it in the appropriate way. This researchers study has updated that research and added to it by carrying out the detailed investigation described above.

8.8. Recommendations

As a result of the review of the literature, the quantitative analysis, (see section 7.1) that was carried out, the review of available documents (see section 7.1.1), the telephone interviews with managers (see section 7.2.3) at both companies and the additional comments made by managers when completing the questionnaire a number of recommendations can be made.

Even though there is mounting pressure being placed on managers in developing countries to increase organisational competitiveness, (see sections 3.4, 4.1.2 and 5.7) of the main text, by developing or implementing appropriate HRM responses in business culture and policies. There are a number of steps that Libya as a nation and also Libyan organisations can take to develop management in line with their own cultural, social and political environment. The government should ensure that in future development plans for the nation, strategies for management development are included because this group is the most important in Libya's future economic competitiveness. Furthermore the government must act to address the reluctance caused by cultural and social pressures that cause some managers to consider attendance on training and development courses, because they see this as an admission of incompetence, with obvious unfavourable consequences for their careers and social status. A much stronger emphasis must be placed by government, on the fact that it is management development which bridges the gap between the development of Libyan organisations and the self-development of the individual manager who attends training and development courses. Although there are legal requirements to ensure that training in general takes place, much more emphasis is need on the quality not the quantity of training in order to eliminate the perception that it is merely something that happens simply for training's sake.

At an organisational level (see sections 4.2, 4.3 and 5.7) those who manage and lead the organisation must have a clear mission which is linked to a set of strategic business goals that enable their organisation to acquire, control and allocate resources to maximise the opportunities available and to minimise any threats to their survival and success. In each and every organisation there must be a distinct strategy for the planning of management development and MD programmes should be designed in a way that ensure that managers have the adaptability and flexibility of skills and disposition to move through often rapidly-changing managerial roles in order to stimulate a holistic and integrative approach to management tasks. There is a need to establish 'best

practice' and facilitate strategic change, building learning organisations and creating intercultural competency. Rather than adopt an unplanned opportunistic approach to management development that is not even evaluated, Libyan companies must introduce either MD as an integrated, although still, opportunistic process that occurs within general managerial activities, but has an explicit intention as it is planned and subsequently reviewed. Or they adopt an approach to MD where the process is formalised and takes place in planned manner away from normal managerial duties, but is also subsequently reviewed. No matter which approach is used the 'best practice' created must be a home grown local practice. This is because any organisation's business strategy will be geared to its current capability.

The central elements of this 'best practice' for Libyan management development must be that priority is given to manager development at a strategic level in every organisation. Managers at the very senior levels support the implementation of this best practice and produce written management development policy. Any system or mechanisms for MD is accurately diagnosed with regard to both group and individual training needs. Finally proper evaluation processes are put in place to ensure training remains high quality and business-focused; and the necessary serious attention is given to the implementation of management training activities.

A major problem in the present situation in Libya is the selection of managers for development (see sections 2.4, 3.6, 4.3.3 and 5.7) is the tradition that merit and qualifications are ultimately of little value in the promotion ladder and selection is usually based on in-group favouritism reflecting kinship or tribal ties. The solution is to implement effective roles in MD which may require incentives and career development according to established criteria, a rigid system of participants' selection and assessment procedures along with better training and evaluation methods of staff, ultimately it is governmental as well as top management support and the creation of a Libyan form of 'best practice' that will be crucial.

The implementation of a Libyanised approach or 'best practice' in management development would be an interesting area for further research an investigation of an extensive number of Libyan companies in any sector could be carried out in order to assess both quantitatively and qualitatively whether priority is given to manager development at a strategic level in every organisation. How much support was given by

senior manager to the implementation of a written management development policy? What system or mechanisms would best provide an accurate diagnosis of both group and individual training needs? But most importantly what evaluation processes should be used to ensure training remains high quality and business-focused? For the Libyan environment and culture.

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APPENDIX ONE

Letter from the Researcher to the Authority of (NOC)

بسم الله الرحمن الرحيم

الأخ / أمين لجنة الإدارة بالمؤسسة الوطنية للنفط

بعد التحية ،،

في الوقت الذي نشكركم فيه على جهودكم المخلصة والنبيلة وعطائكم المستمر واللامحدود في سبيل الرفع من مكانة قطاع النفط وتنمية الاقتصاد الوطني مما يعكس عمق شعوركم بالمسؤولية الملقاة عليكم. بدأ في ليبيا بشكل متنام خلال السنوات الأخيرة كما هو الحال في سواها من البلدان الاهتمام ببرامج تنمية وتطوير الموارد البشرية في قطاعات الدولة ، حيث أن موضوع تنمية وتطوير الموارد البشرية من الدراسات التي أعطيت درجة كبيرة من الاهتمام في مجال البحث العلمي بمدارس إدارة الأعمال في العالم وبالتحديد في الدول الكبرى والمتقدمة دون غيرها من الدول النامية والمتخلفة .

وباعتبار أن ليبيا إحدى الدول النامية التي أولت الموارد البشرية اهتمام كبيرا ، رأينا أن نستغل هذه الفرصة ومن خلال دراستنا ووجودنا في إحدى الدول المتقدمة (بريطانيا) أن نساهم بهذا العمل المتواضع للربط بين الدول الكبرى و المتقدمة في مجال البحث العلمي من خلال بلد الدراسة (بريطانيا) وبين الدول النامية المتمثلة في الوطن (ليبيا) ، محاولة ومساهمة من الباحث للاستفادة من الدول الكبرى والمتقدمة في مجال تنمية وتطوير الموارد البشرية ومدى ملائمة تطبيق النظريات والطرق الحديثة والمتطورة في الدول الغربية للاستفادة منها في المنظمات والمؤسسات الليبية للاستفادة من المورد البشري كمحرك أساسي للتنمية الاقتصادية والاجتماعية في جميع قطاعات الدولة الخاصة والعامة دون استثناء .

وتوافقا مع هذا التوجه ، ولما لهذا المجال من دور فعال و متميز في تنمية وتطوير الموارد البشرية والرفع من قدراتها العلمية والإدارية والفنية لخلق الكوادر القيادية المؤهلة والماهرة وصولا لتحقيق اقتصاد وطني مخطط وقوي وفق المتطلبات والمعايير المطلوبة بسوق العمل محليا وعالميا . وانطلاق من الدور الوطني الملقاة على عاتق الباحث والتزامه الأدبي والأخلاقي اتجاه وطنه وحبه له الذي يؤكد إصراره لكي تكون ليبيا مجال دراسته دون غيرها من الدول الأوروبية والعربية رغم قلة الإمكانيات في مجال البحث العلمي إذا ما قورن بالدول الكبرى والمتقدمة.

ويضع الباحث بين أيديكم في هذا الاستبيان إحدى الطرق البحثية المستخدمة والمتداولة ضمن أيدلوجيات البحث العلمي والتي يقوم بها الباحث حول (مدى ملائمة تطبيقات التطوير الإداري بالدول الغربية في شركات النفط الليبية) حيث تتضمن هذه الدراسة تطوير المدراء (القيادات الإدارية) بمختلف وظائفهم ومهامهم (إدارة عليا ، إدارة وسطى ، إدارة دنيا) أي كل من له صفة (مدير) ، من رئيس مجلس إدارة إلى رئيس وحدة .

ويقوم الباحث بهذا المشروع باستكمال متطلبات الدرجة الدقيقة (الدكتوراة) في مجال إدارة الأعمال بالمملكة المتحدة (بريطانيا) لدى فان الوقت والجهد اللذان تبذلونهما في الإجابة على الأسئلة المرفقة بكثير من الرؤيا والتمعن والموضوعية سيكون لهما عظيم الأثر في إعانتني على التوصل إلى نتائج حقيقية تعكس طبيعة البحث وتساهم بشكل أو بآخر في تطوير وتعزيز دور الموارد البشرية وصولاً إلى تحقيق إدارة فاعلة ومتميزة و اقتصاد ناجح وقوي في ليبيا من جهة وتعميق الوعي الإداري المتطور بما يتماشى والنظريات العلمية الحديثة من جهة أخرى .

وحيث انه قد تم اختيار قطاع النفط كحالة دراسية لهذا البحث والمتمثلة في (المؤسسة الوطنية للنفط ، شركة الواحة ، شركة اكاكوس ، ريبسول سابقا) لما يتميز به قطاع النفط عن غيره من القطاعات في ليبيا من حيث نظام العمل ، تشجيعه للبحث العلمي ، اتصاله بالمنظمات الدولية ، التطور التكنولوجي ، إتاحة المعلومات للباحث ، ارتياح الباحث ورغبته في اجراء دراسته لهذا القطاع ، علاوة على العديد من المميزات الأخرى .

وان الباحث من خلال هذه الدراسة يحذوه الأمل في أن تكون مشاركة العاملين في هذا القطاع مشاركة ايجابية وفاعلة ، ونؤكد لكم بان البيانات والمعلومات التي سيتم تجميعها سوف تستخدم وتحلل أكاديميا وستعامل بسرية وأمانة كاملة ، وسوف لن تستخدم إلا لأغراض البحث العلمي فقط .
ومساعدة من الباحث و عرفان منه بفضل الله والوطن ، وتذليل الصعاب ودعمكم اللامحدود له والذي ليس بغريب عن شخصاً مثلكم خاض هذه التجربة بنجاح وبكل ما فيها من تضحية ومعاناة ، فان الباحث سيقدم ملخصاً لنتائج هذا البحث لقطاع النفط عند الانتهاء منه إن شاء الله .
وفي النهاية لا يسعنا إلا أن نتقدم لكم بجزيل الشكر والتقدير والعرفان على نجاحكم المتميز والمنقطع النظرير بهذا القطاع الحساس الذي هو الركيزة الأساسية لتنمية الموارد البشرية بكافة قطاعات الدولة وصولاً إلى تحقيق اقتصاد قوي ومتميز إن شاء الله .

من خلال هذه المذكرة يأمل الباحث إصدار تعليماتكم إلى الإدارات بالمؤسسة والشركات المذكورة أعلاه لتزويدنا ببعض الوثائق والبيانات والمعلومات المطلوبة لمساعدتنا في استكمال دراستنا.

شاكرين لكم حسن اهتمامكم ومساهمتمكم ودعمكم وجزاكم الله عنا كل خير

والسلام عليكم ورحمة الله وبركاته

الباحث

ناجي محمد ميلاد

APPENDIX TWO

The Questionnaire Translation to Arabic Language

بسم الله الرحمن الرحيم

الأخ/ مدير عام/ مدير إدارة/ مدير إدارة/ مدير مكتب/ رئيس قسم/ رئيس وحدة/ مشرف/ منسق

بعد التحية ، ،

بدأ في ليبيا بشكل متنامٍ خلال السنوات الأخيرة ، كما هو الحال في سواها من البلدان ، الاهتمام ببرامج التطوير الإداري في كافة قطاعات الدولة ، حيث أن موضوع التطوير الإداري من الدراسات التي أعطيت درجة كبيرة من الاهتمام في مجال البحث العلمي بمدارس إدارة الأعمال في العالم وخاصة في الدول الكبرى والمتقدمة. وتوافقاً مع هذا التوجه ، ولما لهذا المجال من دور فعال و متميز في تنمية الموارد البشرية والرفع من قدراتها العلمية والإدارية والفنية لخلق الكوادر القيادية المؤهلة والماهرة وصولاً لتحقيق اقتصاد وطني مخطط وقوي وفق المتطلبات والمعايير المطلوبة بسوق العمل محلياً وعالمياً. ويضع الباحث بين أيديكم ، في هذا الاستبيان ، أحد الطرق البحثية المستخدمة والمتداولة ضمن إيديولوجيات البحث العلمي والتي يقوم بها الباحث حول " مدى ملائمة تطبيقات التطوير الإداري بالدول الغربية في شركات النفط الليبية " ، حيث تتضمن هذه الدراسة تطوير المدراء (القيادات الإدارية) بمختلف وظائفهم ومهامهم (إدارة عليا- إدارة وسطي-إدارة دنيا) أي كل من له صفة "مدير" ، من رئيس مجلس إدارة إلى رئيس وحدة.

ويقوم الباحث بهذا المشروع لاستكمال متطلبات الدرجة الدقيقة (الدكتوراه) في مجال إدارة الأعمال بالمملكة المتحدة "بريطانيا" ، لذا فإن الوقت والجهد اللذان تبذلونهما في الإجابة عن الاسئلة المرفقة بكثير من الرؤية والتمعن والموضوعية سيكون لهما عظيم الأثر في إعانتني على التوصل إلى نتائج حقيقية تعكس طبيعة البحث وتساهم بشكل أو بآخر في تطوير وتعزيز دور الموارد البشرية وصولاً إلى تحقيق إدارة فاعلة ومتميزة واقتصاد ناجح وقوي في ليبيا من جهة وتعميق الوعي الإداري المتطور بما يتماشى والنظريات العلمية الحديثة من جهة أخرى.

وحيث أنه قد تم اختيار شركتكم هذه كحالة دراسية لهذا البحث ، فإن الأمل يحدونا بأن تكون مشاركتكم إيجابية وفعالة ، ونؤكد لكم بأن البيانات التي سيتم تجميعها سوف تستخدم وتحلل أكاديمياً وستعامل بسرية كاملة وبكل أمانة ، وسوف لن تستخدم إلا لأغراض البحث العلمي فقط. وفي حال رغبتكم في الحصول على ملخص لنتائج هذا البحث و يرجى كتابة اسمكم وعنوانكم البريدي في نهاية الاستبيان ، وسوف ترسل لكم النتائج عند الانتهاء من البحث إن شاء الله.

شاكرين لكم حسن اهتمامكم ومساهمتم ودعمكم ، جزاكم الله عنا كل خير.

والسلام عليكم ورحمة الله وبركاته

ناجي محمد ميلاد

APPENDIX THREE

Letter about the Questionnaire from the Researcher to the Companies

The Development of Framework for Management Development (MD) In Libyan Oil Organisations

Dear Sir/Madam

I am a Full time student, undertaking my PhD study at The University of Salford, School of The Built Environment in the UK. The main purpose of my research is to investigate management development within Libyan oil companies. Therefore, this questionnaire is designed to assess certain aspects of management development in Libyan oil companies.

You have been identified as a key player in this research; the attached questionnaire will take approximately half an hour to complete. Please could you read the questionnaire carefully and answer all the questions, while answering the questions please be sure to select the statement or answer which you actually believe to be the most true. The completed and returned questionnaire will be analysed only by the named research who will safeguard the data. All information given will be used for the purpose of this research only. The data collected will be destroyed as soon as practicable after the publication of the thesis.

You are free to withdraw your participation at any time without needing to provide any explanation for your decision. In this event, the research will destroy all data gathered from any withdrawing participant.

Thank you in advanced for spending the time to complete this questionnaire, which will be tremendous completed this developing management development in Libyan oil companies. I would also like to express my sincere gratitude for your assistance; your co-operation is greatly appreciated.

Your faithfully

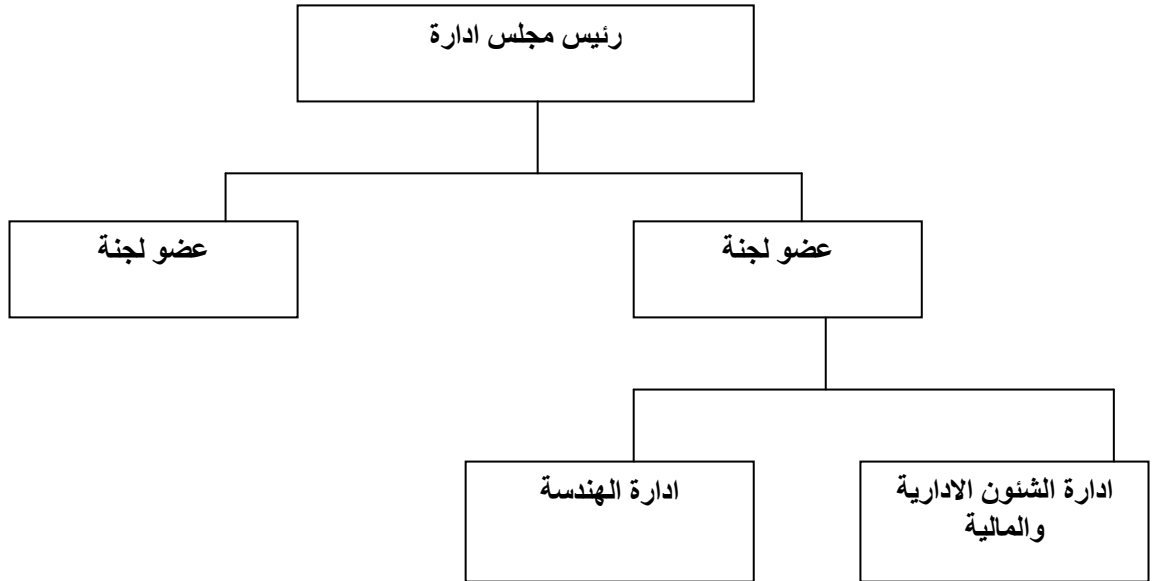
Nagi M Millad

APPENDIX FOUR

Information Required from Waha Oil Company (Case A)

الأخ / رئيس مجلس ادارة شركة الواحة
نأمل منكم تزويدنا ببعض الوثائق والبيانات والمعلومات المطلوبة لمساعدتنا في
استكمال متطلبات الاجازة الدقيقة ((الدكتوراه)) علما بانها ستستخدم للاغراض
العلمية فقط ، والمعلومات المطلوبة تزويدنا بها على النحو التالي

1. التقرير السنوى لعام 2008 – 2009 – 2010
2. اى معلومات او بيانات احصائية تفيد عملية البحث مثلا ((تاريخ انشاء الشركة –
عدد العمالة – جنسية الشركة – نسبة مشاركتها – ترتيب الشركة بين الشركات النفطية
من حيث ((الحجم – العمالة – الإمكانيات .. الخ))
3. تنظيم الشركة الادارى اى البناء التنظيمى او الهرمى للشركة مثلا ((مدير عام –
ادارة الشئون الادارية – ادارة الهندسة – والادارات والاقسام المتفرعة من الادارت
الكبرى على سبيل المثال:



شاكرين لكم حسن تعاونكم معنا
والسلام عليكم ورحمة الله وبركاته

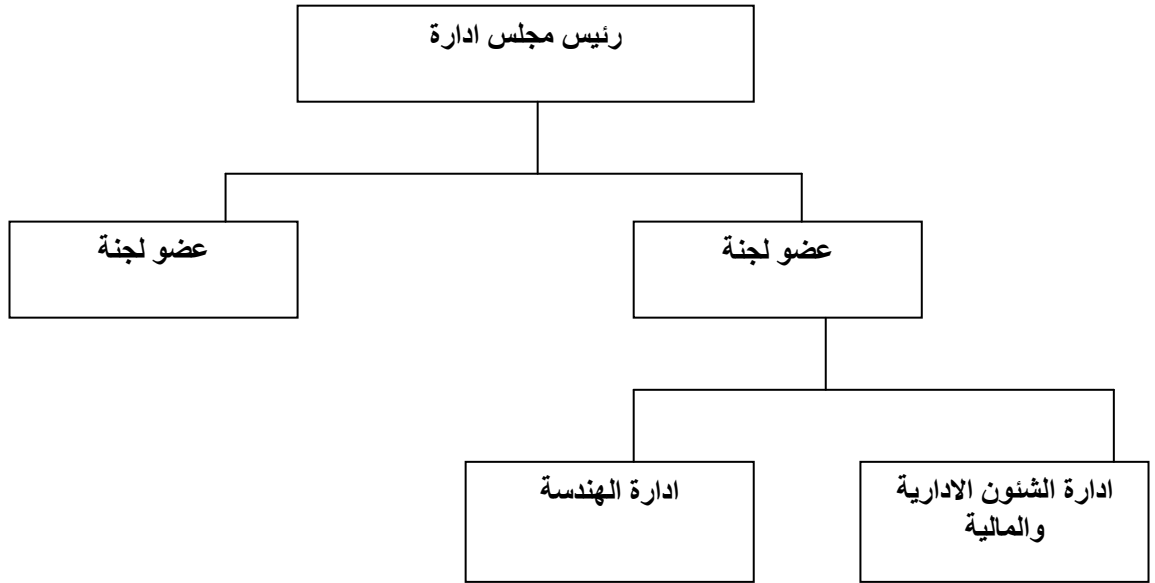
الباحث ناجى محمد ميلاد

APPENDIX FIVE

Information Required from Repsol Oil Operations (Case B)

الأخ / رئيس مجلس ادارة شركة ريسول
نأمل منكم تزويدنا ببعض الوثائق والبيانات والمعلومات المطلوبة لمساعدتنا فى
استكمال متطلبات الاجازة الدقيقة ((الدكتوراه)) علما بانها ستستخدم للاغراض
العلمية فقط ، والمعلومات المطلوبة تزويدنا بها على النحو التالى

1. التقرير السنوى لعام 2008 – 2009 – 2010
2. اى معلومات او بيانات احصائية تفيد عملية البحث مثلا ((تاريخ انشاء الشركة –
عدد العمالة – جنسية الشركة – نسبة مشاركتها – ترتيب الشركة بين الشركات النفطية
من حيث ((الحجم – العمالة – الإمكانيات .. الخ))
3. تنظيم الشركة الادارى اى البناء التنظيمى او الهرمى للشركة مثلا ((مدير عام –
ادارة الشؤون الادارية – ادارة الهندسة – والادارات والاقسام المتفرعة من الادارات
الكبرى على سبيل المثال:



شاكرين لكم حسن تعاونكم معنا
والسلام عليكم ورحمة الله وبركاته

الباحث ناجى محمد ميلاد

APPENDIX SIX

Introduction of the Questionnaire (in English)

The University of Salford
School of The Built Environment
Manchester
England-UK

Management Development Questionnaire

This Questionnaire is Designed for Any Manager
Whatever his or her Level

(Top Management – Middle Management or Junior Management)

Nagi M. Millad

2011

APPENDIX SEVEN

Management Development Questionnaire

Section One: General Information

Q1 Please indicate your gender 1-Male 2-Female

Q2 Please indicate your age

1- Less than 26 years 2- (26-35) years
3- (36-45) years 4- (46-55) years
5- (56-65) years

Q3 What is your highest level of educational qualification?

1- Secondary or high school
2- Specialist or professional or vocational school/centre/institute
3- Intermediate centre/institute
4- Higher centre/institute
5- University Degree
6- Higher Postgraduate Diploma
7- Master's Degree
8- Degree of Doctor of Philosophy
9- Other (please Specify)

Q4 Please specify your job grade?

1- Top Management 2- Middle Management
3- Junior Management 4- Other-Please Specify

Q4a What is your Job Title?

Q5 How long have you been in this position?

1- Less than one year 2- (1-3) years
3- (4-6) years 4- (7-10) years
5- (11-15) years 6- (16-20) years
7- More than 20 years.

Q6 What is your Nationality? 1-Libyan 2-Non-Libyan

Q7 In which location do you work for the Company?

1- Tripoli 2- Bengazhi
3- South of Tripoli 4- Other-Please Specify

Q8 What is the total number of employees in your location?

- 1- Less than 100 2- 100-300 3- 301-500
 4- 501-700 5- 701-1000 6- More than 1000

Q8a How many of those can be described as managers?

Section Two: Company Approach to Management Development

In the following questions please tick the statements with which you most agree

Q9 In my company?

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	Managers are unwilling to take responsibility for their own management development					
2-	Managers are not conscious of the company's needs					
3-	Managers are unconcerned about the overall goals of the company					
4-	There is some kind of dissatisfaction among Managers					
5-	Management development is properly planned for					
6-	Other (Please Specify)					

Q10 The procedure most commonly used to select managers for management training is?

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	(Their manager) put their names forward					
2-	The suggestion to attend a management development course came from their job performance review					
3-	Managers apply to attend					
4-	Managers are chosen by their colleagues to attend					
5-	They are selected on the basis of their relationship with someone in the company					
6-	Other (Please Specify)					

Q11 In this company, selection for management development should be based on:

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	The individual Managers performance					
2-	A request by the individual relation					
3-	The individual Managers experience					
4-	The individual Managers qualifications					
5-	A request by the individual Managers superior					
6-	Other (Please Specify)					

Q12 The main reasons for implementing management development in the company are?

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	To develop the knowledge attitudes and skills of managers					
2-	To increase organisational effectiveness					
3-	The inefficiency of educational and technical institutions					
4-	Raise managers managerial ability					
5-	To foster the development of people in and for management functions					
6-	Other (Please Specify)					

Q13 Management development procedures in the company

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	Have the full support of top management					
2-	Are evaluated from time to time					
3-	Provide the quantity and quality of managers needed					
4-	Create the necessary climate to develop managers					
5-	Provide the right environment for managers self-development					
6-	Other (Please Specify)					

Q14 Managers in this company need management development in

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	Activities related to the technical management such as production, engineering, maintenance, research and development, etc.					
2-	Activities related to the general management of the departments, divisions, and organisation, such as planning, organising, controlling, etc.					
3-	Activities related to personnel management, such as recruitment, industrial relations, employment, etc.					
4-	Activities related to other departments, such as marketing, accounting, production, statistical methods, and forecasting skills.					
5-	Other (Please Specify)					

Q15 In this company the procedures for evaluation of the management trainees after their completion of their management development courses are

No	Statement	4 Strongly Agree	3 Agree	2 Disagree	1 Strongly Disagree	No Opinion
1-	A discussion with the employee about the management development programme with regard to its application in the company.					
2-	A written report about the course prepared by the employee after returning to the company.					
3-	Opportunities for the employee to work using the skills/ knowledge learnt/acquired from the training course in order to evaluate the results.					
4-	There is no provision for following up the trainees after their completion of their management development courses					
5-	Other (Please Specify)					

Q16 How effective are the evaluation procedures that are used after managers return from their management development courses?

- 1- They are very effective
- 2- Somewhat effective
- 3- There are no evaluation procedures
- 4- Somewhat ineffective
- 5- They are very ineffective

Section Three: Methods of Management Development

Q17 In this company managers receive their management development

No	Approach	Always	Often	Rarely	Never	Do Not Know
1-	In the company (on-the-job training coached or mentored)					
2-	In the company (off-the-job in classrooms)					
3-	Away from the company (off-the-job training on local courses)					
4-	Away from the company (studying abroad)					
5-	A combination of all of these					
6-	Other (Please Specify)					

Q18 Which of these methods of management development are used in your company for internal (off-the-job) training?

No	Approach	Always	Often	Rarely	Never	Do Not Know
1-	Lecture					
2-	Discussion					
3-	Role play					
4-	Case study					
5-	Management exercises					
6-	Other (Please Specify)					

Q19 Does your company use coaching as a means to develop management trainees internally?

- 1- They are used extensively
- 2- They are used sometimes
- 3- They are never used
- 4- They were used in the past
- 5- They are being considered for use in the future

Q20 Does your company use mentoring as a means to develop management trainees internally?

- 1- They are used extensively
- 2- There are used sometimes
- 3- They are never used
- 4- They were used in the past
- 5- There are being considered for use in the future

Section Four: Management Development Practices

Q21 To what extent do the following factors influence selection for management development programmes?

No	Statement	Greatly	Moderately	Little	Not at All	Unsure
1-	Having good professional knowledge					
2-	Quality of job performance					
3-	Level of academic qualification					
4-	Loyalty towards the company					
5-	Seniority in the company					
6-	Having initiative					
7-	Capacity to work with people					
8-	Opinion of the bosses					
9-	Relationship to top managers					
10-	Favouritism					
11-	Ethnic loyalty (tribalism)					
12-	Other (Please Specify)					

Q22 To what extent do the following factors influence management development activity in achieving its objectives?

A-Internal factors:

No	Statement	Greatly	Moderately	Little	Not at All	Unsure
1-	Top management attitudes towards management development					
2-	Relations with other groups					
3-	Managers' willingness, experience, attitudes, expectations					
4-	Available organisational technology					
5-	Organisational culture (values, beliefs, policies, roles, etc)					
6-	Other (Please Specify)					

B- External factors:

No	Statement	Greatly	Moderately	Little	Not at All	Unsure
1-	Economic changes in the country					
2-	Social environment (customs, attitudes, culture)					
3-	Continued advances in management sciences in the country					
4-	Transfer of management theories from other countries					
5	Country Laws-Policies (wages laws, compensation, stability)					
6-	The training establishments (trainers, facilities, techniques available)					
7-	Other (Please Specify)					

Q23 To what extent do you think?

No	Statement	Greatly	Moderately	Little	Not at All	Unsure
1-	There is a similarity between management development activities in Libyan companies compared with and Western companies?					
2-	Your company receives advice and national guidance in the area of management development?					
3-	Other (Please Specify)					

Q24 To what extent do the following factors influence your performance in the company?

No	Statement	Greatly	Moderately	Little	Not at All	Unsure
1-	Inconsistent and conflicting objectives set by the company					
2-	Lack of autonomy to perform your job					
3-	Lack of managerial leadership and competence					
4-	Indifference or hostility of boss					
5-	Indifference or hostility of subordinates					
6-	Lack of support (e.g. equipment, funds, skilled supporting staff)					
7-	Other (Please Specify)					

Q25 Is there anything that you would like to add regarding management development practices in Libya?

Thank you for completing this questionnaire

APPENDIX EIGHT

Introduction of the Questionnaire (in Arabic)

جامعة سالفورد/ بريطانيا
كلية العلوم والتكنولوجيا
مدرسة الإدارة والأعمال

تطوير المدراء بالمنظمات الليبية
دراسة ميدانية للشركات النفطية

استبيان خاص بالقادة الإداريين
(مدراء عامون ، مدراء إدارات ، مدراء مكاتب وأقسام)

إعداد: ناجي محمد ميلاد

2010

APPENDIX NINE

كلية العلوم والتكنولوجيا

جامعة سالفورد/ بريطانيا

مدرسة الإدارة والأعمال
استبيان عن التطوير الإداري

الوحدة الأولى: معلومات عامة

س1- الجنس:

- 1- ذكر 2- أنثى

س2- كم عمرك؟

- 1- أقل من 26 سنة 2- من (26 – 35) سنة
 3- من (36 – 45) سنة 4- من (46 – 55) سنة
 5- من (56 – 65) سنة

س3- ما هو أعلى مستوى تعليمي لديك؟

- 1- مدرسة ثانوية 2- مدرسة أو مركز فني أو مهني
 3- معهد أو مركز متوسط 4- معهد أو مركز عال
 5- جامعي 6- دبلوم دراسات عليا
 7- ماجستير 8- دكتوراه

9- أخرى . حدّد من فضلك

س4- ما هو مركزك الوظيفي؟

- 1- إدارة عليا 2- إدارة وسطى 3- إدارة دنيا

4- أخرى. حدّد من فضلك

س4- ا- ما هو مجال عملك؟

س5- ما مدة الخدمة في هذه الوظيفة؟

- 1- أقل من سنة واحدة 2- من (1-3) سنوات 3- من (4-6) سنوات
 4- من (7-10) سنوات 5- من (11-15) سنة 6- من (16-20) سنة
 7- أكثر من (20) سنة

س6- ما هي جنسيتك؟

- 1- ليبية 2- غير ليبية

س7- في أي موقع من المواقع التالية تعمل بأشركة؟

- 1- طرابلس 2- بنغازي 3- جنوب طرابلس

4- أخرى. حدّد من فضلك

س8- كم عدد الموظفين بالشركة؟

- 1- أقل من (100) موظف 2- من (100-300) موظف 3- من (301-500) موظف
4- من (501-700) موظف 5- من (701-1000) موظف 6- أكثر من (1000) موظف

س8-ا- كم عدد الذين يتمتعون بصفة مدير من بين هذه الأعداد بالشركة؟ (.....).

الوحدة الثانية: منهاج الشركة للتطوير الإداري

في الأسئلة التالية ، من فضلك ضع علامة (✓) في المربع الذي يتفق مع وجهة نظرك:

س9- في هذه الشركة ..

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	المدراء غير مستعدين لتحمل مسؤولية التطوير الإداري بالشركة.					
2-	المدراء غير واعين باحتياجات الشركة.					
3-	المدراء غير عابئين بالأهداف العامة للشركة.					
4-	يوجد نوع من عدم الرضى بين المدراء.					
5-	التطوير الإداري مخطط له تخطيطاً جيداً.					
6-	أخرى (حدّد من فضلك)					

س10- الإجراءات المتبعة غالباً عند اختيار المدراء للتدريب الإداري هي:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	المدير يقدم أسماء المرشحين.					
2-	ترشيحهم لحضور الدورة هي نتيجة تقييم أداءهم العملي.					
3-	المدراء يتقدمون بطلبات لحضور الدورة.					
4-	يتم اختيار المدراء من قبل زملائهم لحضور الدورة.					
5-	يتم اختيارهم بناء على علاقتهم بشخص ما بالشركة.					
6-	أخرى (حدّد من فضلك)					

س11- في هذه الشركة ، يكون الاختيار لدورات التطوير الإداري وفق القواعد التالية:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	أداء المدير.					
2-	علاقة الدورة بعمل المدير.					
3-	خبرة المدير.					
4-	المؤهل العلمي للمدير.					
5-	طلب أو تزكية الرئيس الأعلى.					
6-	أخرى (حدّد من فضلك)					

س12- الأسباب الرئيسية لتنفيذ التطوير الإداري بالشركة:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	لتطوير المعرفة والمواقف والمهارات للمدراء.					
2-	لرفع من الفاعلية التنظيمية.					
3-	لتفعيل المؤسسات التربوية والمهنية.					
4-	رفع القدرة الإدارية للمدراء.					
5-	لزيادة التطوير لدى الأفراد من أجل تحقيق الفاعلية الإدارية.					
6-	أخرى (حدّد من فضلك)					

س13- إجراءات التطوير الإداري بالشركة:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	هناك دعم كامل من الإدارة العليا.					
2-	هناك تقييم من وقت لآخر.					
3-	تهتم بتوفير الكم والكيف من الحاجة للمدراء.					
4-	تخلق المناخ الملائم لتطوير المدراء.					
5-	توفر البيئة الملائمة للتطوير الذاتي للمدراء.					
6-	أخرى (حدّد من فضلك)					

س14- يحتاج المدراء في هذه الشركة للتطوير الإداري في النشاطات التالية:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	نشاطات متعلقة بالإدارة الفنية مثل (الانتاج – الهندسة – الصيانة – البحث – التطوير ..إلخ).					
2-	نشاطات متعلقة بالإدارة العامة مثل (الإدارات – الأقسام – التنظيمات مثل: التخطيط، التنظيم، الرقابة ..إلخ).					
3-	نشاطات متعلقة بإدارة الأفراد مثل (التعيين، العلاقات العامة، الاستخدام ..إلخ).					
4-	نشاطات تتعلق بأقسام أخرى مثل (إدارة التسويق، المحاسبة، الإنتاج، الإحصاء، مهارات التخطيط ..إلخ).					
5-	أخرى (حدّد من فضلك)					

س15- الإجراءات التي تتبعها الشركة لتقييم متدربي الإدارة بعد استكمالهم لدورات التطوير الإداري:

رقم	البيان	اتفق كثيراً	أتفق	لا اتفق	لا أتفق كثيراً	لا تعليق
1-	مناقشة المتدرب بخصوص برامج التطوير الإداري من حيث كيفية تطبيقها في الشركة.					
2-	تقديم المتدرب لتقرير كتابي عن الدورة بعد عودته إلى الشركة؟					
3-	منح المتدرب فرصة التطبيق العملي للمهارات والمعرفة المكتسبة من دورات التدريب ثم تقييم النتائج.					

4-	لا يوجد قيد أو شرط لمتابعة المتدربين بعد استكمالهم لدورات التطوير الإداري.				
5-	أخرى (حدّد من فضلك)				

س16- ما مدى فاعلية إجراءات التقييم المتبعة بعد رجوع المدراء من دورات التطوير الإداري؟

- 1- فاعلة جداً.
- 2- فاعلة إلى حد ما
- 3- لا يوجد تقييم
- 4- غير فاعلة أحياناً
- 5- غير فاعلة أبداً

الوحدة الثالثة: طرق التطوير الإداري

س17- في هذه الشركة ، يتلقى المدراء التطوير الإداري:

رقم	الطريقة	دائماً	أحياناً	نادراً	أبداً	لا أعلم
1-	داخل الشركة (التدريب او الملاحظة والتوجيه أثناء العمل).					
2-	داخل الشركة (التدريب خارج العمل في فصول دراسية وتدريبية).					
3-	خارج الشركة (التدريب خارج العمل في دورات محلية).					
4-	خارج الشركة (دراسة بالخارج).					
5-	جميع ما سبق.					
6-	أخرى (حدّد من فضلك)					

س18- أي من طرق التطوير الإداري التالية استخدمت في الشركة (التدريب خارج العمل)؟

رقم	الطريقة	دائماً	أحياناً	نادراً	أبداً	لا أعلم
1-	المحاضرات.					
2-	حلقات النقاش.					
3-	لعب الأدوار.					
4-	دراسة حالة.					
5-	تمارين إدارية.					
6-	أخرى (حدّد من فضلك)					

س19- هل تستخدم شركتكم أسلوب التدريب (بإشراف مدرب خاص) كوسيلة لتطوير متدربي الإدارة داخلياً؟

- 1- يستخدم بشكل مكثف
- 2- يستخدم أحياناً
- 3- لا يستخدم أبداً.
- 4- كان يستخدم سابقاً.
- 5- أخذ في الاعتبار استخدامه مستقبلاً.

س20- هل تستخدم شركتكم أسلوب الملاحظة و التوجيه (باشراف مراقب خاص) كوسيلة لتطوير متدربي الإدارة داخلياً؟

- 1- يستخدم بشكل مكثف
- 2- يستخدم أحياناً
- 3- لا يستخدم أبداً
- 4- كان يستخدم سابقاً
- 5- أخذ في الاعتبار استخدامه مستقبلاً

الوحدة الرابعة: تطبيقات التطوير الإداري

س21- ما مدى تأثير العوامل التالية في اختيار برامج التطوير الإداري؟

رقم	البيان	كثيراً	متوسط	قليلاً	لا يوجد أبداً	غير متأكد
1-	اكتساب المعارف التخصصية الجيدة.					
2-	جودة أداء العمل.					
3-	مستوى الشهادة الأكاديمية.					
4-	الولاء تجاه الشركة.					
5-	الأقدمية في الشركة.					
6-	أخذ المبادرة.					
7-	سعة العمل مع الآخرين.					
8-	رأي المدراء.					
9-	العلاقة مع المدراء الكبار.					
10-	الأولوية/ الأفضلية.					
11-	الولاء العرقي (القبلية).					
12-	أخرى (حدّد من فضلك)					

س22- إلى أي مدى تؤثر العوامل التالية في تحقيق أهداف التطوير الإداري؟

أ- العوامل الداخلية:

رقم	البيان	كثيراً	متوسط	قليلاً	لا يوجد أبداً	غير متأكد
1-	مواقف الإدارة العليا حيال التطوير الإداري (سياسات ، دعم ، أساليب .. إلخ).					
2-	العلاقات مع مجموعات أخرى (أقسام ، إدارات ، وظائف تخصصية .. إلخ).					
3-	مستويات المدراء (رغباتهم ، خبراتهم ، مواقفهم ، توقعاتهم .. إلخ).					
4-	التكنولوجيا التنظيمية (إتاحتها ، تغيراتها .. إلخ).					
5-	الثقافة التنظيمية (العادات ، القيم ، المعتقدات ، السياسات ، القوانين .. إلخ).					
6-	أخرى (حدّد من فضلك)					

ب- العوامل الخارجية:

رقم	البيان	كثيراً	متوسط	قليلاً	لا يوجد أبداً	غير متأكد
1-	التغيرات الاقتصادية (نسبة التضخم ، نسبة الصرف ، القيود على الواردات .. إلخ).					
2-	المحيط الاجتماعي (العادات والتقاليد ، الولاء العرقي ، المواقف ، المشاكل العائلية)					

					، التعليم ، عمل المرأة ..إلخ).
					3- التقدم المستمر في العلوم الإدارية (الدراسات المحلية ، مراكز البحث ..إلخ).
					4- انتقال النظريات الإدارية من دول أخرى.
					5- قوانين الدولة – السياسات (قوانين المرتبات ، استقرار التشريعات ، الاستقرار الوظيفي ..إلخ).
					6- المؤسسات التدريبية (المتدربين ، المدربين ، التسهيلات ، التقنيات المتاحة ..إلخ).
					7- أخرى (حدّد من فضلك)

س23- إلى أي مدى تعتقد أن ..

رقم	البيان	كثيراً	متوسط	قليلاً	لا يوجد أبداً	غير متأكد
1-	هناك تشابه في نشاطات التطوير الإداري في حالة المقارنة بين الشركات الليبية والشركات الغربية.					
2-	الشركة تزود بالنصائح والتوجيه والإرشادات الوطنية في مجال التطوير الإداري.					
3-	أخرى (حدّد من فضلك)					

س24- إلى أي مدى تؤثر العوامل التالية على أدائك في الشركة؟

رقم	البيان	كثيراً	متوسط	قليلاً	لا يوجد أبداً	غير متأكد
1-	مجموعة أهداف غير واضحة ، متضاربة ، غير متناسقة للشركة.					
2-	فقدان الحرية لأداء العمل.					
3-	فقدان القيادة الإدارية الفاعلة.					
4-	اللامبالاة أو عداوة الرؤساء.					
5-	اللامبالاة أو عداوة المرؤوسين.					
6-	فقدان الدعم (التجهيزات ، الدعم المعنوي ، الدعم المادي ، الكادر الماهر ..إلخ).					
7-	أخرى (حدّد من فضلك)					

س25- هل لديك أي شئ تود ذكره فيما يتعلق بنشاطات وبرامج التطوير الإداري في ليبيا؟

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مع شكرنا لكم على حسن تعاونكم معنا

APPENDIX TEN

Questions to Managers Over the Phone (Telephone Interview)

1. Does the company have its own training department?

هل يوجد قسم للتدريب خاص بالشركة؟

2. How many members of staff are there in the department?

كم يوجد عنصر من (الإدارة) في القسم؟

3. How many employees are involved in management training at the moment?

كم عدد الموظفين المنخرطين في التدريب الخاص بالإدارة (التدريب الإداري) الآن؟

4. Is most training carried out internally or externally?

هل يقام التدريب (تقام دورات التدريب) في الداخل أو الخارج (دورات داخلية أو خارجية)؟

5. Is most training carried out on the job or off the job?

هل يتم (تنفيذ) التدريب أثناء العمل أم خارج أوقات العمل؟

6. Do trainees have to make a contribution to the cost of their training?

هل يتوجب على المتدربين المساهمة في دفع تكلفة التدريب؟

7. Are they expected to repay any training costs when they leave?

هل يُتوقع أن يدفعوا تكلفة التدريب عندما يغادرون العمل؟

هل يدفع المتدربين تكلفة التدريب عندما يتركون العمل؟

8. Is there any assistance from government towards costs of training?

هل تقدم الدولة أية معونة لتغطية تكلفة التدريب؟

9. How important would you say management development was to this company?

هل تعتقد أن تطوير الإدارة شيء مهم للشركة؟

10. Can you provide me with any further details on the following areas:

هل تستطيع أن تزودني بمعلومات (جزئية) عن المجالات (النقاط) (الجوانب) الآتية ؟

A- Outline of training department/systems.

أ/ نبذة مختصرة عن إدارة التدريب و أنظمتها.

B- Statistics of participation in management development.

ب/ إحصاءات عن المشاركة في التطوير الإداري.

APPENDIX ELEVEN

The Structure of the NOC, Source: NOC Report 2007

