

Redesigning the Management Capabilities Development Index

A short literature review and technical report by

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Acronym list

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIPD	Chartered Institute of Personnel and Development
HBR	Harvard Business Review
HRD	Human Resource Development
HRM	Human Resource Management
IMNZ	Institute of Management of New Zealand
KPI	Key Performance Indicator
L&D	Learning and Development
MC	Management Capability
MCI	Management Capabilities Index (New Zealand)
MD	Management Development
MPOWER	Massey People, Organisation, Work and Employment Research Group
NVQ	National Vocation Qualification (UK)
PwC	PricewaterhouseCoopers
R&D	Research and Development
SHRM	Strategic Human Resource Management
TEI	Tertiary Education Institution
WERS	Workplace Employment Relations Survey (UK)

1 Introduction

Management capabilities development has been studied over several decades, and research efforts made to measure management development (MD) and its effects on/for individuals and organisations. The concomitant growth of Strategic Human Resource Management (SHRM) has lent some legitimacy and momentum to this development. Furthermore, an increasingly complex and dynamic environment in recent years that influences, and is influenced by, organisations, coupled with the need for management to keep abreast of such, has further stressed the need to gauge the currency of the 2003 New Zealand (NZ) Management Capability Index (MCI) survey.

The key purpose of this study was thus to assess this instrument and to develop a robust and practical index that can be applied in contemporary NZ with a view to extending its use overseas. The Management Capability Index (MCI), originally developed by the Institute of Management of NZ in 2003, has proven popular in NZ and other national settings. Further impetus to review the last NZ version of the survey came from plans by a various countries (including Australia, India, Malaysia, the Philippines and Macau) to produce an MCI report in 2018 (see Management Association of the Philippines (MAP), 2017).

This report opens with an overview of what is meant by management capabilities development, as differentiated from management training and learning. It then examines how far the 2003 MCI addresses and measures contemporary management capabilities by:

- reviewing academic and practitioner/professional literatures, thereby highlighting important capabilities for contemporary management whilst observing that management capabilities and their effectiveness are situationally dependent (Ruth, 2006);
- assessing the pertinence of the methodological design of the survey;
- incorporating insights from expert informants from academia and the professions with regard to the survey's substance and design; and
- piloting the draft 2018 survey with senior academics at Massey University in March 2018 so as to assess and potentially augment its validity and robustness for future use.

2 The NZ Management Capability Index 2003

The NZ MCI is widely accepted, having been adopted by the Management Associations in NZ, Australia, India Malaysia, Singapore, Hong Kong, Sri Lanka and beyond. These Management Associations (sometimes in partnership with organisations such as KPMG) have used it to measure management capability development and its effects on organisational outcomes. The 2003 NZ MCI used 10 key categories to measure management capabilities:

- Visionary and strategic leadership;
- Performance leadership;
- People leadership;
- Financial management;
- Organisation capability;
- Application of technology and knowledge;
- External relationships;
- Innovation – products and services;
- Integrity and corporate governance; and
- Results and comparative performance.

In some nations (e.g. India – see KPMG, 2016), the category total is nine but the surviving categories are the same. Each category is underpinned by a series of statements, and accompanied by a definition in the accompanying national MCI survey report (Appendix 1).

Despite the index's general appeal and the apparent relevance of the MCI survey questions to contemporary practitioners, its conception and development is not easily traced, nor are the literary and other resources used in these processes. This lends further weight to the need to review the instrument to ensure that it remains robust and 'fit for purpose' in NZ and beyond.

2.1 Methodology used to update the NZ MCI 2003 survey

This review and technical report uses a mixed methodology to gather and analyse material with which to inform and update the 2003 NZ MCI survey design. It thus uses data and analysis from: a review of relevant academic and practitioner/professional literatures; primary data

elicited from February to March 2018 from semi-structured interviews with senior and expert corporate and academic informants in the Auckland and Wellington regions; a research team review of appropriate methodological source materials; and feedback from senior academic participants from a survey pilot from mid- to late March 2018.

The academic, practitioner/professional and methodological literatures were critically analysed to elicit key themes, as well as the strengths and research gaps of extant studies. Interview material, captured in written note form, was subjected to manual analysis framed by key themes in existing scholarship as well as those that emerged from the data themselves (i.e. an iterative analytical approach). Interviewees were also asked to comment on the 2003 MCI survey design and to proffer suggestions on its improvement. Informant anonymity was guaranteed to encourage free speech about management capability development, particularly in the NZ context. However, Appendix 2 lists broad identifiers for the participants.

Interviewees' insights thus supplemented key substantive findings from the literature and methodological reviews which were applied to the MCI survey redesign. Subsequent changes, suggested by the survey pilotees, helped to further tweak the 2018 survey iteration.

3 Literature Review

3.1 What are management capabilities?

A review of the literature on management capabilities or competencies reveals a prevalent view which “situates management competence as part of MD, which is part of human resource development (HRD) which is part of human resource management (HRM), which, in good practice, is linked to overall management strategy” (Ruth, 2006: 212-213).

Indeed, management capabilities have been defined to include many factors. Tamkin, Hillage and Willison (2002), for example, note the skills, knowledge and aptitudes of managers that are of relevance to their management role. In addition, Burgoyne, Hirsh and Williams’s (2004) comprehensive report utilised bundles, rather than singular or siloed, management and leadership capabilities to highlight the benefits of the capabilities in effecting organisational effectiveness. For its part, Harvard Business Review’s (HBR) (2017) study stresses leadership competencies rather than capabilities in reference to the skills needed by management. By contrast, Tamkin *et al.* (2002) argued there is little difference between competency, capability and skill in terms of their use in studies and references to them in the literature, and thus used them all. Indeed, other researchers have often not made much of a distinction between their definitions and areas of overlap. The following review thus uses the terms interchangeably.

3.2 Academic literature

This academic literature review focuses on references to and reflections on a number of seminal works in the MD field. Two main streams of scholarship are discussed, relating to: i) leadership and to ii) competency/capability models/frameworks.

Broadly speaking, leadership studies have evolved from trait to behavioral theories, and from ‘universalist’ or ‘one fit for all’ approaches to situation-based or contingency models. Traits are inborn, typically difficult to change, and cannot be developed in the same manner as capabilities/competencies. Trait theories are not highly relevant to this review which focuses on behaviours/competencies. This review thus examines transformational leadership theory to discuss the competencies needed for managers to be effective in their roles.

3.2.1 Transformational leadership

Transformational leaders are known for their ability to initiate and champion change (Bass, 1995). They do so by understanding their followers and their needs, and finding new ways to resolve problems. They challenge people and are seen as role models with behaviours that are likely to benefit both employees and the organisation (Avolio and Bass, 1998). Transformational leadership refers to the leader moving the follower beyond immediate self-interests via “idealized influence, inspiration, intellectual stimulation, or individualized consideration” (Bass, 1999: 11). Leaders who are transformational are considered ethical and trustworthy and reported to be ‘more satisfying’ to their followers - as well as more effective as leaders in terms when it comes to attaining employee and organisational outcomes (Bycio, Hackett and Allen, 1995). Transformational leaders aim for effectiveness over efficiency, are risk takers and try to cause rather than follow change (Avolio and Bass, 1998; Bycio *et al.*, 1995; Lowe, Kroeck and Sivasubramaniam, 1996). In addition, transformational leaders tend to transform their followers and organisation by influencing them by being positively involved with employees and their organisation, pushing employees to go beyond their expectations. Along with these capabilities, transformational leaders are said to be able to articulate a clear vision and direction to others (Bass, 1998).

3.3 Extant studies of management and leadership capabilities development

The following studies emerged as widely-cited works that cover overall management/leadership capabilities/competencies development. Several other studies have not been included as they focus on specific sets of capabilities/competences (e.g. knowledge capabilities, procurement capabilities, manufacturing capabilities). Table 1 overviews the studies discussed below.

3.3.1 Tamkin, Hillage and Willison (2002): Indicators of management capability

Tamkin *et al.* (2002) conducted their study of indicators of management capabilities, focussing on the role of management capabilities and their influence of organisational and employee outcomes. The study focused on findings from the UK, and provided a comprehensive review of the literature on several surveys that cover employee training and development, mainly through education and training programmes offered by their respective organisations.

However, it did not use or provide a list of skills, capabilities, competencies or categories which could be cited as management capabilities. Rather, it covered in general how management capabilities may be enhanced through education, training and development programmes conducted by professional organisations. Notwithstanding this, the study clearly identified that, both in terms of measuring MD and establishing its links to performance and growth, more research is required. The Tamkin *et al.* (2002) study used national-level employment surveys such as the well-established WERS and NVQ, as well as studies by the CIPD in the UK, in its data analysis.

The key relevance of this 2002 study for this inquiry is that it highlights that discussion amongst practitioner and academics had already begun with respect to the usefulness of management capabilities development and its effects on organisational and employee outcomes. Further, it underlines that there are several tools or surveys available but that they often lack robustness in terms of measuring management capability development and its relationship to employee and organisational outcomes.

3.3.2 [Burgoyne, Hirsh and Williams \(2004\): Management and Leadership Development Study](#)

Burgoyne, Hirsh and Williams (2004) provided a comprehensive research report that draws on the academic and practitioner literatures, as well as defines management and leadership capabilities in a jargon-free manner. This study explains the importance of management and leadership capabilities for individual and organisation outcomes, and incorporates their value and benefits for HRM. It also points out that the evidence linking management and leadership capabilities is not well supported and requires more research. Second, it posits that there are numerous measures of capabilities which have been utilised but also that each has its shortcomings for instance having lack of longitudinal data to assess the effectiveness of capabilities, or having robust tools for capability measurements. Thus, the authors' future research directions are based on an assessment that the evidence is weak regarding the role of management and leadership capabilities in influencing individual and organisational outcomes. It further outlines the need for more robust and validated research to establish links, if there are any, between capabilities and outcomes; and to validate the measures used for management and leadership capabilities. The report also usefully concludes by outlining some skills that can benefit management and leadership capability-building, discussing the importance or

capability to create a culture of innovation, to enable employees to be more creative, to have the entrepreneurial skills of planning (see also Table 1).

3.3.3 Harvard Business Review (2011-14): Leadership competencies needed at all management levels

This series of HBR studies presents key competencies that are purportedly required at all management levels in order to manage effectively and progress towards leadership. Zenger, Folkman and Edinger (2011) developed five main categories which are in turn supported by 16 competencies. First, they highlight the personal character needed by managers to display honesty and integrity. Second, they stress personal capability, comprising the exhibition of technical/professional expertise, and an ability to solve problems and analyse issues, be innovative and practise self-development. Their third category concerns achieving results and comprises a focus on results, the establishment of stretch goals and taking the initiative. Fourth, the authors highlight interpersonal skills, comprising the biggest competency grouping including: being able to communicate powerfully and broadly; inspiring and motivating others; capacity to build relationships; developing others; and collaborating and fostering teamwork. The last category notes managers' capability to lead change, including developing strategic perspective, championing change and connecting the group to the outside world (see Table 1). This comprehensive list is underpinned by sub-questions which tap into each competency. The HBR (2014) competencies list is attached in Appendix 3.

3.3.4 IMNZ (2017): executive and management education survey

The IMNZ (2017) executive/management education survey is based on Henley Business School's (2017) L&D survey. It focuses on the L&D of executive, senior and middle managers, and by way of extension to the Henley study, high potential managers defined as "those deemed likely to assume an organisational leadership role" (Parker, Taskin and Griffiths, 2017: 4). The study outlines which capabilities are needed for each of these management levels in the context of NZ, making it one of the most comprehensive local surveys. However, the survey does not provide a barometer of the level of competencies and capabilities of managers under various categories. This gap is largely filled by NZ MCI where in-depth questions are asked from respondents in 10 different categories.

3.3.5 HBR and Zhender (2017): Management Capability and Potential Study

HBR, in conjunction with Zhender, undertook considerable work in developing leadership competencies frameworks, focussing on CEOs, CIOs and other leaders in the C-Suite. The competencies for each category overlap a good deal. For instance, the key competencies outlined for CEOs are results orientation, strategic orientation, collaboration and influence and team leadership. Developing organisational capabilities, change leadership, market understanding and inclusiveness (HBR, 2017) were the competencies for future CIOs, with the authors arguing that developing organisational capabilities changes according to the people, organisation and development involved. Furthermore, instead of stressing inclusiveness as a key capability for CIOs, the emphasis is placed on the key competency of functional expertise for those in this role. Thus, for all of the leadership roles, most of the competencies that are highlighted are similar, with one or two additions or omissions according to leadership type. While the shared and unique features make intuitive sense, it is difficult to ascertain how and from where these measures were developed.

Table 1: Overview of management and leadership capabilities development studies

Indicators of Management Capability: Developing a Framework	The Development of Management and Leadership Capability and its Contribution to Performance: The evidence, the prospects and the research need	Management Capabilities in Six Countries	Competency Companion Research	NZMCI	The Skills Leaders Need at Every Level	Annual Survey Report – L&D	Corporate Learning Survey	NZ Executive Education Survey	Turning Potential into Success: The Missing Link in Leadership Development
Tamkin, Hillage and Willison (IES)	Burgoyne, Hirsh and Williams	Mabey and Ramirez	HBR	IMNZ	HBR	CIPD	Henley Business School	Massey University/MPOWER	HBR
2002	2004	2005	2011	2003	2014	2015	2016	2017	2017
Education and qualifications	Entrepreneurial skill	HR strategy: the degree to which HR is linked to business strategy	Honesty ⁰	Visionary and Strategic Leadership	Inspires and motivates others	Clarity of strategy and vision	Leadership Capabilities	Leadership capabilities*	Results orientation
Ongoing formal and informal training and development	Leadership skill	HR strategy: degree to which HR plays an active role in formulating business strategy	Integrity ⁰	Performance Leadership	Displays high integrity and honesty	Senior leadership autonomy	Leading in a complex, uncertain environment	Innovating successfully ⁰	Strategic Orientation
Experience	Change management skills	‘MD systems’: established MD Policy, conducting appraisals at which development needs are discussed, the use of career planning and fast track programmes and the systematic evaluation of management training	Exhibiting technical/professional expertise*	People Leadership	Solves problems and analyzes issues	Performance Management	Strategy Execution	Strategy execution ⁰	Collaboration and influence
Management rules and other environmental factors		MD ethos: extent to which the organisation takes responsibility for management training and development	Solving problems and analysing issues*	Financial Management	Drives for results	Employee Relations	Coaching Skills	Managing reputation and risk ⁰	Team leadership
		MD ethos: relies on internal promotion and expects to retain managers for five years or more	Being innovative*	Organisational Capability	Communicates powerfully and prolifically	Recruitment practices	Strategy Formulation	Coaching skills †	Developing organisational capabilities

MD ethos: long-term development of managers, whether managers are developed against a specific set of skills/competencies	Practicing self-development*	Application of technology and knowledge	Collaborates and promotes teamwork	Clarity of role	Developing management teams	Emotional resilience †	Change leadership
	Establishing stretch goals†	External Relationships	Builds relationships	Organisational Design	Managing reputation and risk	Customer engagement ††	Market understanding
	Taking initiative†	Innovation - Products and Services	Displays technical or professional expertise	Reward and recognition	Emotional resilience	Innovating successfully ††	Inclusiveness
	Communicates powerfully and broadly ††	Integrity and corporate governance	Displays a strategic perspective		Innovating successfully		
	Inspires and motivates other ††	Results and comparative performance	Develops others		Commercial acumen		
	Build relationships††		Takes initiative		Leading complex projects		
	Develops others††		Innovates		Customer engagement		
	Collaborates and fosters teamwork††		Champions change		Entrepreneurial thinking		
	Develops strategic perspective**		Connects the group to the outside world		Peer to peer leadership		
	Champions change**		Establishes stretch goals		Leading upwards		
	Connects the group to the outside world**		Practices self-development				

Notes:

IMNZ (2017): * for all (top, middle, senior level management), † for Executive and Senior Managers, † For Middle Managers, †† High Potentials

HBR and Zhender management capability and potential studies (2010, 2017 and 2018): † Factors of Personal Character, * Factors of Capability, † Factors of Getting results, †† Interpersonal skills, ** Leading changes

3.4 Summary

Putting this into perspective, we can see that the MCI covers the transformational approach with its focus on a number of features, including the following categories:

- Visionary and strategic leadership;
- Performance leadership;
- People leadership;
- Financial leadership;
- Organisational capability;
- Application of technology and knowledge;
- External relationships; and
- Integrity and corporate governance.

As discussed in the next section, the ‘Focus on results’ category in the survey measures outcomes rather than a capability. A more processual category; a ‘Focus on getting the results’, is thus substituted as a capability in the 2018 survey.

4 MCI survey redesign

The following section draws on the literature, as well as insights from 12 semi-structured interviews with expert informants in academia and industry in NZ, to progress the 2003 NZ MCI survey design. It focuses on the development of key management capabilities categories and the statements that underpin them, as well as adapts and adds new sections and questions to the survey.

4.1 Category and statement development

There is ample support in the academic literature that relates effective leadership to employee and organisational performance. This is attained by leaders through enabling others, leading to both financial growth or success and improved organisational capabilities. Transformational leaders trust in and inspire their employees to go above and beyond the ‘call of duty’ or their expected work performance. The 2003 MCI covered an impressive range of 10 management capability categories but the literature review, coupled with interviewees’ comments, highlighted areas for revision.

4.1.1 Visionary and strategic leadership

A key capability of an effective leader is to have vision and be able to articulate it. Furthermore, Bass (1990) and Conger (1999) point out that leaders need to have a vision that followers feel inspired to follow and they should also be able to articulate the vision effectively. As indicated, for leaders to be effective, it is essential that they are visionary and strategic, with the ability to champion change (Bass, 1995).

The MCI incorporates these considerations within its first category, *Visionary and strategic leadership*. Globally, organisations are facing challenges and direct business risks, including changing consumer behaviour and new market entrants. These threats (and opportunities) are in addition to the broader challenges discussed above and were also emphasised by several interviewees in this study. Furthermore, following the Global Finance Crisis of 2008-13, business optimism has been building but CEOs continue to report anxiety with respect to perceived and actual societal threats, geopolitical uncertainty, rapid technological change, terrorism, and climate changes that confront their organisations (e.g. PwC), 2017).

The contemporary practitioner literature highlights a strong correlation between leadership competencies, such as establishing ‘stretch’ goals, technical and business expertise and championing change, and positive business outcomes (e.g. Zenger *et al.*, 2011). A number of the interviewees also emphasised the need to develop and assess for stretch capabilities and responsibilities among various management cadres, which they regarded as a form of “investment in the future”, paying dividends in terms of motivating managers while acknowledging the individual(s) involved.

Thus, three additional statements have been added to the *Visionary and strategic leadership* category of the MCI survey for use in 2018 (see Table 2, second column, in bolded italics), along with minor changes to some of the wording of the original statements (in italics).

Table 2: Statements supporting the Visionary and strategic leadership category of the 2003 and 2018 MCI surveys

2003	2018
Visionary and strategic leadership	Visionary and strategic leadership
a) Management articulates a clear and inspiring vision that is well understood	Management articulates a clear and inspiring vision that is well understood (1)
b) Management actively fosters and encourages ownership of the vision by staff	Management actively fosters and encourages ownership of the vision by staff (2)
c) The vision and supporting goals underpin and guide managerial decisions and behaviours	The vision and supporting goals underpin and guide management decisions and behaviours (3)
d) Management plans with a view to growing the business while meeting the needs of shareholders/owners taking into account employee supplier customer and other shareholder interests	Management plans with a view to growing the business while meeting the needs of shareholders/owners, taking into account employee, supplier, customer, and other stakeholder interests (4)
e) Management demonstrates an international/global perspective and has a good understanding of global markets and global thinking	Management demonstrates an international/global perspective and has a good understanding of global markets and global thinking (5)
	<i>Management establishes stretch goals for itself and the organisation (6)</i>
	<i>Management demonstrates professional and technical expertise (7)</i>
	<i>Management demonstrates business acumen (8)</i>
	<i>Management champions change (9)</i>

4.1.2 Performance Leadership

Transformational leaders are likely to encourage and support innovation and enable excellence in performance in organisations (Bass, 1990; Eisenbeiss, van Knippenberg and Boerner, 2008). Thus, one revision to the MCI’s second management capability category, *Performance*

leadership, is the inclusion of statements concerned with anticipating and solving issues; the ability to see desired results; and pursuing excellence in performance.

Also, adding statements to the first category (*Visionary and strategic leadership* – see Section 4.1.1) category necessitates changes to this related category to gauge whether management is capable of anticipating challenges, establishing clear goals that lead to excellence, and developing effective organising and planning skills. This approach is reinforced by that adopted in the IMNZ (2017) NZ executive and management education survey in which the importance of understanding the future, and its opportunities and risks, are considered paramount for successful leadership. Table 3 outlines the changes (with new statements in the second column in bolded italics, and some word changes to existing statements in italics).

Table 3: Statements supporting the Performance leadership category of the 2003 and 2018 MCI surveys

2003 Performance leadership	2018 Performance leadership
a) Management ensures the organisation is strongly goal performance and achievement focused	Management ensures the organisation is strongly goal-, performance- and achievement-focused (1)
b) Management demonstrates the ability and attitude to lead the achievement of challenging goals and change	Management demonstrates the ability and attitude to lead <i>and champion</i> the achievement of challenging goals and change (2)
c) Management balances risk with achievement not risk avoidance (i.e. management is not risk averse)	Management balances risk with achievement, not risk avoidance (i.e. management is not risk averse) (3)
d) The organisation consistently meets its performance goals and has a performance track record of growth and of continually improving performance	<i>Management</i> consistently meets the organisation’s performance goals and has a performance track record of growth and continually improving performance (4)
e) The organisation consistently performs better than its competitors or other comparable organisations	<i>Management</i> enables the organisation to <i>perform</i> consistently better than its competitors or other comparable organisations (5)
	<i>Management analyses issues, and anticipates and solves problems (6)</i>
	<i>Management is organised and effective at performance planning (7)</i>
	<i>Management pursues excellence in performance leadership (8)</i>

4.1.3 People Leadership

Similarly, the *People leadership* category in the 2003 MCI survey covered important aspects of management capabilities but lacked a focus on elements such as feedback and inspiration,

and creating high performance teams. The literature points out that today's leaders need to be inclusive and address the benefits of having a diverse workforce (Heifetz and Laurie, 1997; also Sayers and Ang, 2013). Similarly, a key element is feedback and the ability to motivate employees through providing timely and useful feedback (Goleman, 2004; Kotter, 2001).

Furthermore, since the inception of the NZ MCI in 2003, this third category has focused on management's need and commitment to developing and leading teams and inculcating a supportive culture that values diversity and inclusivity. Our review (particularly Zenger *et al.*, 2011) stressed that, for managers to be able to develop others by identifying their potential and providing growth opportunities, they should also be open to self-development (several interviewees also indicated that managers in NZ need to be more proactive and strategic about this). On the other hand, according to the CIPD (2015), there is some evidence of a shift from viewing L&D as a 'training provider' to a 'learning facilitator'. Thus, there is a need to create 'a learning culture' or 'learning organisation' so as to 'enthuse, inspire, inform, encourage, facilitate'. The CIPD survey also highlights that current trends around developing teams incorporate non-employee groups (most commonly, students, clients or volunteers, depending on the sector).

Management capability 'type' was also a frequent theme in the interviewees' comments, with all distinguishing between 'soft' and technical management skills and capabilities. The former are seen to include: "leadership in all forms"; empathy; "getting people motivated and doing stuff"; being able to train/coach others; authenticity; being outgoing or caring about the team, and understanding what teams are for and wider organisational goals; assertiveness; taking reasonable risk with the confines of business; developing internal and external relationships; being creative to find new solutions; communicating well and having a clear understanding of being a leader; and having the strategic vision to "do the right thing" (a holistic approach) so as to enable wider business and analytics. Soft skills were also seen by several interviewees to encompass being well-organised and disciplined about executing management functions and managing time, being "open-minded", able communication skills and being able to manage organisational politics. Technical attributes were viewed as encompassing understanding commerciality and the drivers of business, business models, revenue drivers and cost structures; and knowledge of how to manage the financial structure.

It was often perceived by informants that there has been greater emphasis on technical skillset development over ‘soft skill’ development in NZ, both within organisations and in training delivery, though one commented that “people or empathy of people skills” are coming through due to growing recognition of the need for a work-life ‘fit’ or balance” (HR director in the retail sector, based in Auckland). There was also recognition that “both are important, depending on the situation and individual” (international recruitment agency partner, based in Auckland). Several interviewees also stressed that, ideally, managers would have technical competencies that they could “drop down to all levels and coach others up” while many acknowledged that management capabilities are mediated by one’s management position (e.g. a CFO was seen as probably being better at, whilst HR managers and others still need to understand, financial management; a CEO “should be across all functional areas”) and individuals may struggle to deal with what is “not their natural suit”.

The *People leadership* category has thus been significantly extended as shown in Table 4 (with new statements in the second column in bolded italics and word changes to existing statements in italics).

Table 4: Statements supporting the People leadership category of the 2003 and 2018 MCI surveys

2003 People leadership	2018 People leadership
a) Management attracts retains develops motivates and leads an effective team capable of achieving company objectives	Management attracts, retains, develops, motivates, <i>inspires</i> and leads an effective team capable of achieving <i>organisational</i> objectives (1)
b) Human resource planning is an integral part of the annual business planning process	Human resource planning is an integral part of the annual business planning process (2)
c) Management provides enhanced leadership – acts as a role model is committed to developing subordinates and leading people	Management provides enhanced leadership - acts as a role model, is committed <i>to developing and leading people</i> (3)
d) Management is strong on empowerment – allows scope for people to grow and contributes toward employees’ growth and therefore enhancing their CV	Management is strong on empowerment - allows scope for people to grow and contributes toward employees’ growth and <i>range of skills</i> (4)
e) Management maintains a culture supportive of today’s employee values – not stifled by structure and hierarchy	Management respects and maintains a culture supportive and inclusive of employees, their values and their diversity - not stifled by structure and hierarchy (5)
	<i>Management collaborates and fosters teamwork (6)</i>
	<i>Management communicates powerfully and broadly to people in the organisation (7)</i>
	<i>Management provides effective feedback and development of others (8)</i>
	<i>Management provides rewards and recognition for loyalty and performance (9)</i>
	<i>Management acts in the team’s best interest (10)</i>
	<i>Management creates a high-performance team (11)</i>
	<i>Management involves others when making decisions (12)</i>
	<i>Management efforts generally get employee support (13)</i>
	<i>Management efforts generally get other managers’ support (14)</i>
	<i>Management is motivated by the success of others (15)</i>
	<i>Management practices critical reflection and self-development (16)</i>

4.1.4 Financial leadership

Managers who have the capability to understand the value of sound planning, effective feedback and control mechanisms are likely to lead organisations to effectively meet their goals (Huselid, 1995). Following the literature review and analysis of interviewee comments, only one small change were deemed necessary to the *Financial leadership* category in the survey (see Table 5 overleaf).

Table 5: Statements supporting the Financial leadership category of the 2003 and 2018 MCI surveys

2003 Financial leadership	2018 Financial leadership
a) Management develops and commits to plans and goals that support sound growth and continuing performance improvement	Management develops and commits to plans and goals that support growth and continuing performance improvement (1)
b) Management leads and manages the business to consistently achieve or exceed these goals	Management leads and manages the <i>organisation</i> to consistently achieve or exceed these goals (2)
c) Management practises sound and effective management of the organisation including financial planning, accounting, cash flow management, investment, financial reporting, and liaison with financial institutions	Management practises sound and effective management of the organisation including financial planning, accounting, cash flow management, investment, financial reporting and liaison with financial institutions (3)
d) Management has experienced accounting and financial personnel for its financial management	Management has experienced accounting and financial personnel for its financial management (4)
e) Management has in place sound and effective internal control systems through supervision and internal audit and hierarchy	Management has in place sound and effective internal control systems through supervision and internal audit and hierarchy (5)

4.1.5 Organisational capability

An effective manager has the capability to develop a culture of innovation (HBR, 2011) and endeavours to have a ‘boundary-less’ organisation (Hill and Davis, 2017). Effective leaders build teams where employees are given the confidence in themselves to be able to move forward and attain organisational objectives (Luthans, 2002) and transformational leaders are often seen as effectively managing their followers and enabling them to attain their own and organisational goals. Following the review and analysis of interviewee comments, no changes were made to the *Organisational capability* category (see Table 6). One interviewee felt that the term ‘boundary-less’ in statement 2 was opaque; the research team have thus rephrased this statement as shown in Table 6 (column 2).

Table 6: Statements supporting the Organisational capability category of the 2003 and 2018 MCI surveys

2003 Organisational capability	2018 Organisational capability
a) Management builds organisation capability, a culture of innovation and research, and an organisation dedicated to continuous improvement	a) Management builds organisation capability, a culture of innovation, and a <i>dedication</i> to continuous improvement (1)
b) Management brings about and maintains a 'boundary-less' organisation, which is confident and effective in leading and managing a non-hierarchical structure	b) Management brings about and maintains <i>an organisation that encourages collaboration between departments and does not rely solely on hierarchy to achieve its goals</i> (2)
c) Management effectively balances strong effective teams with free (independent) individuals	c) Management effectively balances strong effective teams with <i>autonomous</i> individuals (3)
d) Management has a sound understanding of effective application of best management practices to achieve organisational goals and objectives	d) Management has a sound understanding of best management practices to achieve organisational goals and objectives (4)
e) Management demonstrates strong commitment to continuous learning for both individuals and the organisation	e) Management demonstrates strong commitment to continuous learning for both individuals and the organisation (5)

4.1.6 Application of technology and knowledge

An important capability for managers is to be able to develop a learning organisation and to enable employees to effectively manage, protect and transfer knowledge (Darroch, 2005). With the growth of technology, the value of information technology and application of knowledge are key capabilities for managers (Cummings and Worly, 2014).

In Table 7, one new statement is shown in column 2 in bolded italics.

Table 7: Statements supporting the Application of technology and knowledge category of the 2003 and 2018 MCI surveys

2003 Application of technology and knowledge	2018 Application of technology and knowledge
a) Management exploits information technology and brings about a knowledge-driven organisation	Management exploits information technology to bring about a knowledge-driven organisation (1)
b) Management understands the impact of technology on organisations and on work itself	Management understands the impact of technology on organisations and on work itself (2)
c) Management understands the value and application of knowledge in organisations	Management understands the value and application of knowledge in organisations (3)
d) Management applies effective knowledge and information management	Management applies effective knowledge and information management (4)
e) Management practises knowledge management and promotes a learning organisation culture	Management practises knowledge management and promotes a learning organisation culture (5)
	<i>Management understands the need to actively protect information/data in the organisation</i> (6)

4.1.7 External relationships

In his seminal work, Mintzberg (1971) emphasised that it is essential for effective managers to be able to have relationships with external communities and stakeholders. Similarly, Luthans (1988) found that successful managers are likely to spend more time on communicating and networking within and outside the organisation than performing any other managerial task. As a result, the 2018 MCI survey contains an additional statement pertaining to *External relationships* (see column 2, in bolded italics, in Table 8).

One interviewee suggested that the term “spheres of influence” was a bit unclear. Again, piloting of the 2018 draft survey helped to further identify difficult or awkward wording, with pilotees suggesting various alternatives.

Table 8: Statements supporting the External relationships category of the 2003 and 2018 MCI surveys

2003 External relationships	2018 External relationships
a) Management develops networks and spheres of influence with stakeholders	Management develops networks and spheres of influence with stakeholders (1)
b) Management maintains networks and spheres of influence with stakeholders	Management maintains networks and spheres of influence with stakeholders (2)
c) Management ensures the organisation has a positive external image through the building of effective relationships with all stakeholders including customers and supplier	Management ensures the organisation has a positive external image through the building of effective relationships with all stakeholders including customers and suppliers (3)
d) Management ensures the organisation has a positive external image through the fulfilment of community and social obligations	Management ensures the organisation has a positive external image through the fulfilment of community and social obligations (4)
e) Management practises corporate social responsibility	Management practises <i>effective</i> corporate social responsibility (5) <i>Management encourages employees to engage with external stakeholders (6)</i>

4.1.8 Integrity and corporate governance

Integrity is known to be related to leadership and considered a key factor in effective leadership (Palanski and Yammarino, 2007). For instance, transformational leaders are considered to have high integrity and be trustworthy (Palanski and Yammarino, 2009). Along with integrity, ‘trust’ is an underlying key factor in the theory of leadership (Mayer, Davis and Schoorman, 1995) and particularly comes into play when there is a risky situation and/or one is vulnerable in relation to someone else (Mayer *et al.*, 1995). Trust reduces uncertainty (Tschannen-Moran

and Hoy, 2000) and reflects “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer *et al.*, 1995: 712).

For subordinates to trust their leader, the latter must thus be knowledgeable (show ability), should want to help their staff for reasons other than self-driven and -benefiting motives (i.e. express benevolence) and should adhere to a set of principles (integrity) (Tschannen-Moran and Hoy, 2000). Therefore, for followers to be able to identify and internalise integrity with the leader, they need to trust him or her and go above and beyond their call of duty (Podsakoff, MacKenzie, Moorman and Fetter, 1990). Indeed, as noted, in recent decades, the environment in which companies operate has changed dramatically, partly as a result of the public becoming more critical and less forgiving of corporate misbehaviour. For instance, a growing number of firms have suffered reputational damage in the past year because of ethical lapses (Karlsson, Aguirre and Rivera, 2017).

In their competency-companion research, a study of 16 core leadership competencies and the key behaviours demonstrated by exceptional leaders, Zenger *et al.* (2011) suggest that integrity, coupled with honesty (a trait) and assertiveness, results in better corporate governance. The *Integrity and corporate governance* category in the 2003 MCI survey has thus been amended as shown in Table 9 (with one new statement in bolded italics and wording changes to existing statements in italics).

Table 9: Statements supporting the Integrity and corporate governance category of the 2003 and 2018 MCI surveys

2003 Integrity and corporate governance	2018 Integrity, <i>trust</i> and corporate governance
a) Management and employees understand ethical principles in making decisions on the organisation's affairs	Management and employees understand ethical principles in making decisions on the organisation's affairs (1)
b) Management and employees follow ethical rules and procedures for making decisions on the organisation's affairs	Management and employees follow ethical rules and procedures for making decisions (2)
c) Management and employees adhere to legislation regulations and guidelines in administering the business of the organisation	Management and employees adhere to legislation, regulations and guidelines in administering the business of the organisation (3)
d) The organisation promotes an established standard of ethical behaviour for directors management and employees based on integrity and a code of proper conduct	The organisation promotes an established standard of ethical behaviour for directors, management and employees based on integrity <i>and a code of conduct</i> (4)
e) The organisation practises integrity and ethical behaviour as being good for long term business and profitability	The organisation practises integrity, <i>honesty</i> and ethical behaviour as <i>necessary for sustained success</i> (5)
	<i>Management is trustworthy, and displays honesty and integrity (6)</i>

4.1.9 Innovation and adaptability

Denison, Hooijberg and Quinn (1995) state that effective leaders need to show not only cognitive but also behavioral complexity, that is, they should be able to analyse which 'role' to adopt in a certain situation, as well as be able to perform various roles; complexity implies "the ability to respond to a host of ambiguous and contradictory forces, including simultaneous presence of opposites" (Denison *et al.* 1995: 526).

Over the last 15 years, issues and challenges relating to managing innovation have rapidly changed. Innovation is no longer perceived as an internal and closed process but a free flow of information, talent, investment and ideas. The open and collaborative nature of this innovation has boosted companies' global R&D efforts further resulting in new products and services, generation of more jobs, growth and wealth. However, this poses considerable risk to the way in which innovation is managed and requires prudent risk taking capabilities of management (Zenger *et al.*, 2011).

Because the NZ MCI was developed in 2003, the statements supporting this category mainly revolved around management's ability to create a climate that fosters innovation resulting in better performance. However, as noted, discussion of managing innovation has gone beyond

recognising it as an important aspect of business. Table 10 incorporates additional statements in column two, drawing on recent PwC (2017; 2014) studies, in order to gauge management’s capability in terms of innovation and adaptability (new statements are in bolded italics in the second column).

Table 10: Statements supporting the Innovation category of the 2003 and 2018 MCI surveys

2003 Innovation	2018 Innovation <i>and adaptability</i>
a) Management and employees create the climate for and encourage continuous innovation in products and services	Management and employees create the climate for and encourage continuous innovation in products and services (1)
b) Management and employees recognise innovation as an important aspect of business and for all of the organisation’s processes – innovation is part of the organisation’s culture	Management and employees recognise innovation as an important aspect of business and for all of the organisation’s processes – innovation is part of the organisation’s culture (2)
c) Management and employees recognise that innovation leads the business to new dimensions of performance	Management and employees recognise that innovation leads the business to new dimensions of performance (3)
d) Management and employees practise innovation to create new values for the business customers and shareholders	Management and employees practise innovation to create new values for the business customers and shareholders (4)
e) Management and employees practise innovation to expand the market and increase the market share	Management and employees practise innovation to expand the market and increase market share (5)
	<i>Management and employees support each other in risk-taking in innovation (6)</i>
	<i>Management frequently incorporates customer views and priorities into the innovation process (7)</i>
	<i>Management seeks ideas from the external market as part of an innovation process (8)</i>
	<i>Management is effective at finding ways to commercialise innovation ideas (9)</i>
	<i>Management quickly responds to innovation opportunities (10)</i>

4.1.10 Focus on results

The 2003 MCI survey included four statements about capabilities concerned with a focus on results in its tenth category, Focus on results: revenue, customer satisfaction, profit and employee satisfaction. However, in both in the academic and practitioner literatures, these features have been studied as *outcomes* of competencies rather than as competencies in themselves. For example, employee engagement is often added as an outcome in extant work (e.g. MacLeod and Clarke, 2009).

Therefore, these outcome measures have been moved in the 2018 iteration of the survey to a later section on management capability outcomes (see Section 4.2). In their place, are a series

of statements that gauge management capability with respect to *their impact/progress towards* such outcomes, drawing on Rutgers’ (2018) MPA keys for results-driven management for statements 1 and 3-6; the research team devised the remaining statements (see Table 11 which shows the new statements in bolded italics in column two).

Table 11: Statements supporting the Focus on results category of the 2003 and 2018 MCI surveys

2003 Focus on results	2018 Focus on <i>getting to</i> results
a) management has been able to meet revenue targets of the organisation	
a) management has been able to generate the desired profit for the organisation	
b) management has been able to keep employees satisfied	
c) management has been able to keep customers satisfied	
	<i>Management establishes the desired results clearly (1)</i>
	<i>Management has a clear strategy and activities to achieve desired results (2)</i>
	<i>Management builds on previous successes and lessons learned (3)</i>
	<i>Management provides frequent feedback to teams (4)</i>
	<i>Management monitors progress and makes adjustments when needed (5)</i>
	<i>Management has appropriate and effective metrics to measure desired results (6)</i>
	<i>Management encourages others in the organisation to see desired results clearly (7)</i>

4.2 Other changes to the substance of the MCI survey

4.2.1 Focus on outcomes due to management capability

As noted in Section 4.1.10, the 2003 MCI survey focused on four measures of capability outcome as capabilities *per se*. Furthermore, several study informants differentiated between outcomes-focused capability areas and processes concerning the strategic HR of people management and people skills around organising, sustaining and empowering themselves and others (also LinkedIn Learning, 2018).

In the 2018 iteration of the survey, the four statements in the 2003 survey have been moved to a later section on the outcomes of management capabilities. Other possible outcomes for inclusion are: employee job satisfaction (Richard, Daft and Lane, 2010) turnover (Huselid, 1995) and citizenship behaviours (i.e. outcomes that pertain to the internal operation of the organisation) (Zhang, 2011). These factors can be regarded as individual-level employee outcomes, and can be used in the context of outcomes of management capabilities. However, individual outcomes ultimately contribute to organisational performance and are thus plausible for use here.

Table 12: Questions supporting the Focus on management capability outcomes in the 2003 and 2018 MCI surveys

2003 Focus on results (old category 10)	2018 Focus on results (new survey section)
b) management has been able to meet revenue targets of the organisation	Management has been able to meet revenue targets of the organisation (1)
d) management has been able to generate the desired profit for the organisation	Management has been able to generate the desired profit/surplus for the organisation (2)
e) management has been able to keep employees satisfied	Management has been able to keep employees satisfied (3)
f) management has been able to keep customers satisfied	Management has been able to keep customers satisfied (4)
	<i>Management has been able to maintain or increase employees' job of satisfaction (5)</i>
	<i>Management has been able to stabilise or reduce employee turnover rates (6)</i>
	<i>Management has been able to maintain or improve a positive work culture which supports workers and benefits the company) (7)</i>

Furthermore, these outcomes are often measured through self-reporting in surveys which requires anonymous responses. Surveys and reports based on particular organisations (using actual revenue and/or profit figures) have been taken and used as outputs here (CIPD, 2015).

Since the 2003 MCI was based on self-reporting and anonymous/confidential responses, it would appear that outcome measurement can be achieved thus.

4.2.2 Definition of management

Several academic and industry expert informants for this study felt that the 2003 MCI should extend the definition of managers to “anyone with reports” in work organisations whilst

differentiating between the necessary competencies/capabilities found at different management levels. Some also observed that much MD in NZ practice focuses on senior managers due to a “chain-of-command way of thinking” (Senior manager, HR body, based in Wellington) and perception of development training as expensive, and that there should be a greater emphasis on line managers given their pivotal role in implementing organisational policies and practices (e.g. see the executive, senior and middle management focus of the IMNZ (2017) study).

Management type/level is sought in one of the 2003 MCI survey demography questions. Upon review, the research team determined that the question captured the above definition by including an ‘Other, please specify’ response category and thus opted not to change the question wording for the 2018 MCI survey.

4.2.3 Management capability training and development

The 2003 MCI survey does not encompass management capability training and development (cf. IMNZ, 2017). However, the research team felt it would be opportune to include several, new questions in the 2018 Survey on such in light of interviewees’ comments. For instance, informants concurred that there generally was insufficient MD training in NZ, with one observing that managers sometimes “see themselves as too busy for development” (HR Director of a retail organisation, based in Auckland). Furthermore, many noted a perceived hierarchy of training institutions used, with higher rating of overseas initiatives (e.g. Harvard leadership programmes for those wanting “up-to-date thinking”; executives going to Silicon Valley to for “best practice HR approaches”), attributable in part to NZ’s small scale.

Another theme emerged around the subjects covered by management training in NZ, with the emphasis seen to be on management capabilities in NZ around accounting and governance - about “knowing the rules but little about growing a business” (Senior public sector manager, based in Wellington) - in contrast with little on people areas such as understanding of employment law, thereby constraining managers’ development. Emerging capabilities and training needs were also identified. A senior HRM academic based in Wellington, for instance, reported an increase in vocational (i.e. work-oriented) education, with universities now focusing much more on student employability and skills development due in part to international pressure to apply knowledge to problems; a related deficit in conceptual development and critical thinking was also identified. One implication, she felt, is that the onus

to be ‘work ready’ increasingly falls on students rather than organisations. Design thinking was also specified as another growth area in relation to organisational development strategy.

Another key area raised by the informants related to factors perceived to influence the scope, nature and development of management capabilities (development) in NZ. Individual-, group-, organisational- and wider-level facilitators were cited, including: learning from individuals with overseas experience about trends around MD; the dissemination of success stories or company anecdotes relating to management capabilities (often from the US), stimulating local learning and practical ideas; and interestingly, NZ’s “remoteness” in terms of helping local firms to “ignore” overseas developments/trends and “lead the development of something that works in this context”. One senior HRM academic based in Wellington ventured that closer proximity between representative bodies, government agencies and TEIs or key actors in NZ can also aid management capabilities development.

On the other hand, a wider range of challenges was observed, including: time constraints on individuals to engage in management capability development, particularly in some industries (e.g. recruitment) where managers may regard training as an “opportunity cost”; fear of failure, which some linked to the small-scale of the organisation and country (e.g. “I shouldn’t do this as I might not do well and then not get another job” – Senior manager, HR body, based in Wellington); greater valuation of externally-gained skills over internally-developed skills; and conversely, a tendency sometimes not to value overseas work experience or capitalise on it, despite significant workplace diversity (e.g. Sayers and Ang, 2013); organisational/sector cultural features (e.g. cynicism about the calibre of local executive education; a “top-down”, tough management approach, especially among new managers and internal promotions; a traditional approach requiring CEOs to sign off for a lot of activity and sticking to rules which “doesn’t tend to encourage people to be fluid, creative or more impactful” (Senior public senior manager, based in Wellington); reservations about investing or spending on training, coupled with limited available expenditure or other dedicated resources (also IMNZ, 2017), and managers’ deferral of training for others “until they see a need”; concern about picking the right training opportunities; geographical factors (e.g. remoteness of many workers from external training facilities and the erosion/lack of transfer of learning back to the workplace) though IT and e-learning has helped to counter this; perceived limited application of training; the non-tertiary education of a number of managers, suggesting that some do not value what is on offer in NZ TEIs; a tendency for managers to be price- and status-driven in respect of

management capabilities training; much MD being kept in-house or around being an expert rather than “taking someone into another learning environment” (Senior public sector manager, based in Wellington) and thus a “lack of good copy-cat scenarios”; a perceived duality, related to small-scale organisation, between a “can do” culture and resistance some areas of business to overseas influence on the one hand, and a willingness to be influenced wholesale by some foreign entities (e.g. Apple, Silicon Valley) or a “kind of non-strategic “bandwagon effect”) on the other. A number of interviewees also stressed a local tendency for organisations to equate capabilities with a narrow view of KPIs, outputs and efficiencies, possibly emboldened by the neo-liberal economic context; and a disconnect between an emphasis on people management in rhetoric and NZ managers actually not liking to give negative feedback, accompanied by considerable micro-management and the outcome-focus noted above. One senior HRM academic in Wellington also stressed that professionalisation of management had taking place relatively slowly in NZ, meaning little exposure to best practice/sophisticated practices, while another suggested that there was “too much pandering to people in training due to a culture of inclusiveness and not wanting to offend anyone”, effectively “lowering the bar” (Senior public sector manager, based in Wellington).

Interviewees also discussed the relative effectiveness of different forms of management capability development training forms. Many prefaced their comments by stressing a need for tailored development, observing that “different people learn in different ways, and programmes need to be accessed in different ways” (Partner, international recruitment agency, based in Auckland); this was, in turn, dependent on the industry or sector in question. Certain modes of delivery were generally conceived as most useful or impactful, however, including:

- using a consultant to solve a problem(s) and linking him or her with workplace trainees so as to simultaneously encourage problem-solving and provide training;
- on-the-job training/ mentoring (cf. external courses which were often seen as time inefficient, of limited pertinence to organisations, and with limited learning transfer);
- tailored training within organisations to solve specific problems although this is “easier to do on the technical side with bounded problems. For human elements, [it is] ‘fuzzier’” (Partner, management consultancy, based in Auckland);
- activity involving “training the trainer” with experienced managers seconded to work with others, guiding them on how to lead and be impactful (i.e. “co-participation”);

- case study analysis and action learning, applied to a “live situation at work”;
- online training including MOOCs which some saw as “useful in the moment ... though their transfer to the workplace is less certain” and using IT within workplaces to help transfer knowledge;
- intensive study timeframes (e.g. modularized delivery), particularly given immediate work demands not necessarily equating well with long-term education programmes;
- training involving international collaboration/networking, and “working with the best” so as to open up types of talent and thinking to inform market and industry needs; and
- training initiatives that people enjoy as a quality experience.

Informants also indicated that NZ tends to lag with regard to management capabilities development for the reasons (challenges) given earlier. Some also stressed the need to distinguish between the acquisition of capabilities in the short and longer term.

Consequently, new questions on management capabilities development/training have been included in the 2018 MCI survey (see Table 13). In particular, respondents are asked to rate the adequacy of in-house and/or external development in relation to each of the 10 key management capabilities outlined in Section 4 (for more information about L&D ‘types’, see IMNZ, 2017). In addition, the 2018 survey includes some questions about influences on MD in organisations; possible improvements to such; and management thinking around investing in capability development. Open-ended responses are requested in relation to these exploratory areas, and a final, ‘catch-all’ question at the end of the survey now enables respondents to comment on additional matters they want to raise.

Table 13: Questions on Management development training in the 2018 MCI survey

2018
Please rate the adequacy of <u>in-house training</u> in your organisation in terms of meeting current management capability development needs across the 10 categories and overall , where 1=very inadequate and 5=very adequate (0=Don’t know/NA)
Please rate the adequacy of <u>external training</u> available through your organisation in terms of meeting current management capability development needs across the 10 categories and overall where 1=very inadequate and 5=very adequate (0=Don’t know/NA)
Please comment on the factors that you perceive to help or hinder management capability development in your organisation (open-ended comments requested)
Do you feel that the development of management capabilities in your workplace could be improved? (Yes, No, Not sure). If yes, how might this be done? (open-ended comments requested)
Please comment on the ‘mindset’ of your executives/management in terms of investing in management capability development (e.g. is their investment adequate? Do they adopt a life-long learning or other approach?) (open-ended comments requested)

4.3 Methodological considerations for the 2018 MCI survey

As well as the scope and nature of the subjective material covered in the 2003 MCI Survey, the research team and interviewees also critiqued its function and methodological design. Indeed, the interviewees generally liked the questions posed and layout of the 2003 survey. They also felt that it was “pretty interesting” in terms of the information it generated. However, all concurred that there were opportunities to develop its methodological approach.

4.3.1 Purpose of the MCI Survey

One senior management interviewee from a public enterprise in Wellington felt that the purpose of the 2003 MCI survey could be clarified, particularly in terms of what it is advocating. For him, its key message had been lost in the detail of the survey and follow-up report. He stressed the need to derive extra value from the survey findings by making conclusions and/or recommendations rather than using it merely as a barometer of management capabilities in the NZ setting. The research team have borne this in mind by incorporating some new questions in the survey (see Section 4.2) and with their intention to extend the survey report from the coverage provided in 2003 report.

4.3.2 Choice of measurement scale

The research team noted that the designer of the 2003 survey, Doug Mathesson, indicated that the MCI was developed in response to government interest in improving NZ’s competitiveness through improving management capability and organisational performance. Mathesson chaired a non-government committee to examine this and used his international and senior management experience to develop the MCI which was adopted by the NZIM and subsequently other countries. This provided ‘experience-based’, if not academic or statistical, validation but, given the intent here is not to use advanced statistical analysis, the need to utilise previously-validated scales was reduced.

However, with many questions in the 2003 survey, participants are asked to enter their answers using a rating scale of 0 to 100 (subdivided into categories of 0, 1-20, 21-40, etc.). Advantages of such a rating scale in the 2018 survey include the capacity to:

- sustain the same level of comparison with data collected in previous years, facilitating longitudinal data analysis and reporting; and
- provide a detailed response score (i.e. from 101 possible ‘grades’), permitting analysis of the exact rating that each participant gives to each item.

However, disadvantages include:

- the questionable meaningfulness of the fine-graded ratings, raising questions about their accuracy and repeatability over time (e.g. would the same respondent give the same rating the next time that they answered the same question, and thus how accurate is their score (e.g. a 67 or 92) at any particular time?); and
- the scale starting point of 0 and ending at 100 does not make clear what the respondents mean, nor what different ratings within a category signify (e.g. the first category enables respondents to select 0, then 1 through 20).

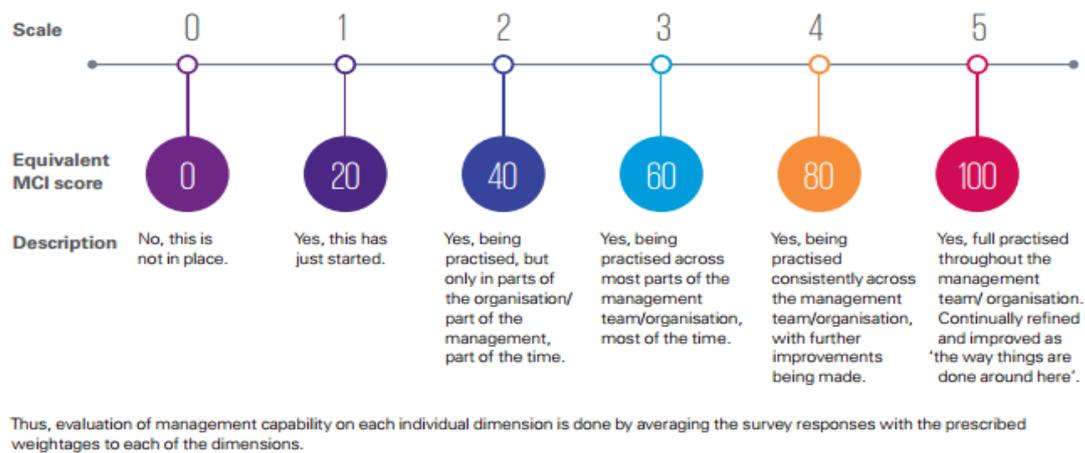
The adoption of a Likert scale provides the following advantages:

- it is widely-accepted in both academic- and industry-related research;
- respondents’ consistent responses over time are more likely;
- support for using a Likert scale comes from the adaptation of the 0-100 ranking for the MCI Survey used in India in 2016 where it has been translated into six, rather than five, categories (see Figure 1 below);
- by using Likert-type scales, verbal labelling of the scale points is possible. As Dickinson and Zellinger (1980, cited by Krosnick, 1999) reported, this increases the satisfaction of respondents in surveys. It would be difficult and confounding to label the scale points effectively as the number of points increase and “this confounding may affect uniformity of interpretations of scale point meanings across people” (Krosnick, 2018: 13);
- in scale development for academic research, ambiguity of the scale points is perceived as a threat for reliability and validity of measurement (Krosnick, 2018). As “(t)he value of adding even more points to a rating scale may depend upon how refined people’s mental representations of the construct are” (Krosnick, 2018: 12), a scale of 100 could be perceived

cognitively difficult for mental representation. Consequently, the intended meaning of the scales can be less obvious when the scale points are increased;

- “(f)or rating scales up to seven points long, it may be easy to specify intended meanings of points” (Krosnick, 2018: 13) and “(v)ery long scales require people to choose between many options, so these scales may be especially difficult in terms of scale point interpretation and mapping” (Krosnick, 2018: 15); and
- if needed, the Likert scale answer can be mathematically transferred into rating scale of 100.

Figure 1: MCI (2016) Survey scale used in India



Source: KPMG (2016: 3)

However, disadvantages of using Likert-type scales include:

- deviation in responses over time to the same questions, meaning that comparison with previous years is indirect though possible; and
- if the data are converted back to a 100-point rating scale, as in previous years, there will be a small (but relatively insignificant) loss in the accuracy of the data values.

Given the above arguments and the purpose of the scale in the 2018 MCI Survey in NZ, the research team opted to use a six-category Likert scale, as per KPMG (2016) for the MCI in India.

4.3.3 Weighting of categories

As well as scalar changes, a review of the 2003 MCI Survey revealed that changes could be made to the weighting of each of the 10 key management capability categories. In the current survey, the weights are fixed and no further information is available on how they were determined (e.g. why is “People leadership” weighted as 10% while “Organisational capability” is assigned a weighting of 5%?).

So as to ensure that the weightings reflect respondents’ views, the research team assessed that the respondents themselves could enter the weighting for each category (out of 100). Their aggregate responses for each category would then be converted to a percentage out of 100. In this way, the significance of the categories would be determined by respondents rather than accepted without an empirical basis by the researchers, as appears to have been the case with past MCI surveys (e.g. IMNZ, 2003; KPMG, 2016). This approach provides more accurate information about the weightings whilst enabling retrieval of the previous system of weighting.

4.3.4 Response bias

Both the research team and several interviewees felt that the existing survey contained areas of response bias (e.g. a central tendency bias with the extant rating system). However, both the 100-point and Likert scales can also suffer from this problem. It was also noted that respondents might lack knowledge of the global context or hold different frames of reference when responding to certain questions. One possible response to this is to more frequently highlight the anchor question (e.g. “For each statement, please tell us what you consider to be your organisation’s current position. In the space provided, please enter a number from 0-100”). As the survey will be disseminated through national media and networks, eliciting random responses, it is not possible, initially, to elicit respondents with certain knowledge sets; however, filter questions help to apportion subsequent use of respondents’ time. Furthermore, it remains possible to analyse perception-based responses in accordance with respondent demographics (e.g. organisation size and structure which may be more or less ‘global’).

4.3.5 Phenomena under examination

Several informants queried the nature of what was being measured by some of the 2003 MCI survey questions (e.g. were intended, perceived, ideal or actual outcomes reported on, and were respondents answering on their own or others' behalf? - see questions on capabilities in relation to Executive/Senior management or Management, for instance). Those involved in the survey pilot and the research team thus read the draft 2018 survey with these issues in mind, with a view to remedying any ambiguities.

One informant also commented that it would help to include measures that check the consistency of any over-promotion or self-criticism in survey participants' responses. The issue of social desirability response bias is a perennial one (e.g. Krosnick, 1999). With the MCI Survey, the research team opted to stress voluntary participation to respondents, as well as their complete anonymity, so as to hopefully minimise this bias.

4.4 Summary

The literature reviews, methodological reviews and interview comments conjointly revealed that much of the 2003 NZ MCI remains germane but would benefit from some adaptation given contemporary and anticipated environmental and internal challenges and opportunities on organisations' and thus their managers' capability to strategically manage. As a result, changes have been made to aspects of the key capability categories; question statements, response categories and measures adopted in the 2003 survey, and new questions, particularly around the impact and training of management capabilities, have been included.

5 Pilot exercise

Following the steps outlined in Section 4 to redesign the 2003 MCI survey, the research team invited senior executive and academic staff in Massey Business School to pilot the draft 2018 MCI Survey in mid to late-March 2018.

Their feedback was discussed by the research team and, where possible, incorporated into the draft survey design, yielding the final version shown in Appendix 4. It also builds on the 2003 survey critiques provided by the interviewees from public and private enterprises in NZ (see Section 4).

6 Concluding remarks and next steps

This report outlines the rationale for and processes involved in redesigning the 2003 NZ MCI to help ensure that it is ‘fit for purpose’ from 2018. A mixed methodological approach was adopted to this end, involving academic and professional/practical study literature reviews; thematic analysis of data from semi-structured interviews with 12 expert informants in NZ; and a researcher team review of the survey methodologies. In these ways, it emerged that the 2003 MCI survey largely remained germane as an instrument for gauging management capabilities but would benefit from some content and methodological changes, as outlined in this report. The research team are now awaiting the remainder of feedback on the proposed 2018 NZ MCI survey from senior executives and academics in Massey Business School. Given growing international interest in adopting the survey to assess management capabilities, with NZ looking to roll out the survey nationally within several months and several other countries intending to implement the survey for the first time this year, an update of the 2003 NZ MCI survey is particularly timely. Furthermore, its increased emphasis on the international context, alongside other changes, should facilitate its global use and cross-national analysis.

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Appendices

Appendix 1: Category definitions from the 2013 NZ MCI Survey Report

Definitions for each of the 10 categories that make up the NZMCI are as follows:

Visionary and strategic leadership	Articulates a clear and inspiring vision for the organisation and team, and identifying the best ways to move towards the organisation's vision, mission, objectives and goals while at the same time taking into account the needs of all stakeholders. Demonstrates a global perspective and understanding of global markets and global thinking.
Performance leadership	Ensures an achievement oriented organisation and team that is able to manage risks and constant changes, while consistently striving for performance excellence and continuous improvement.
People leadership	Makes human resource planning, talent management and development an integral part of the organisation. Maintains an open structure that encourages growth and empowerment of its people.
Financial management	Practises sound and effective financial management of the organisation. Leads and manages the organisation to consistent performance improvements and profitable growth.
Organisation capability	Builds a culture of innovation and research with emphasis on continual improvement and learning both for the individual and organisation. Maintains a 'boundary-less' organisation with effective application of best management practices to achieve organisational goals and objectives.
Application of technology and knowledge	Brings about a knowledge driven organisation that understands and exploits information technology and knowledge management to improve performance of organisation.
External relationships	Builds effective relationships with all stakeholders and develops and maintains networks and spheres of influence.
Innovation – products and services	Encourages continuous innovation in products and services in creating new value for the organisation.
Integrity and corporate governance	Consistently adheres to ethical principles having set specific rules and procedures for making decisions on organisation's affairs. Has an established standard of ethical behaviour for directors and stakeholders based on trustworthiness and values that are accepted or upheld. Adheres to legislation, regulations and guidelines in administering the business of the organisation.
Results and comparative performance	Measures and monitors business performance and goals as the key performance indicators and scorecard of the organisation. Recognises that performance results are the most important measures of management capability.

Source: NZ Institute of Management (2013: 25)

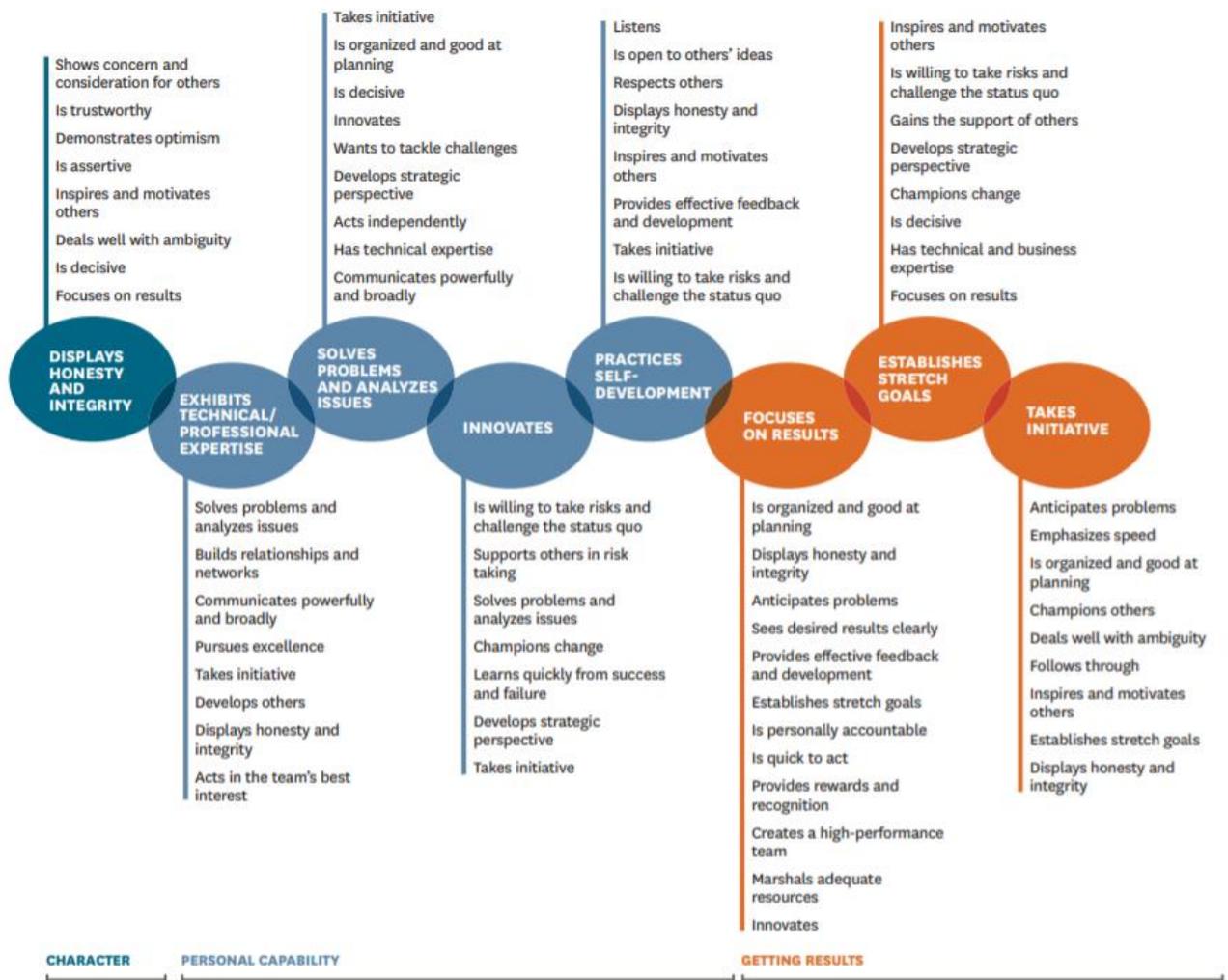
Appendix 2: Anonymised profile of interview participants

	Interviewee descriptor	Date of interview	Location	Mode of interview
1	Partner, international recruitment agency	13 January 2018	Auckland CBD	Skype
2	Professor, NZ university	14 January 2018	Auckland	Face-to-face
3	Director, management consultancy	16 February 2018	Auckland CBD	Skype
4	CEO, Private sector communications organisation	20 February 2018	Auckland	Face-to-face
5	Professor, NZ university	20 February 2018	Auckland	Face-to-face
6	Director, management consultancy	20 February 2018	Wellington	Skype
7	Senior lecturer, NZ university	26 February 2018	Wellington CBD	Face-to-face
8	Acting CEO, HR body	16 February 2018	Wellington CBD	Skype
9	Internationalisation manager, Public sector research organisation	5 March 2018	Wellington	Skype
10	HR Director, National retailer	13 March 2018	Auckland	Face-to-face
11	Senior Manager, HR body	13 March 2018	Wellington	Skype
12	Partner, Private sector manufacturing organisation	5 March	Auckland	Face-to-face

Appendix 3: HBR competencies list

SPOTLIGHT ON TALENT

What Skills Will Magnify My Strengths?

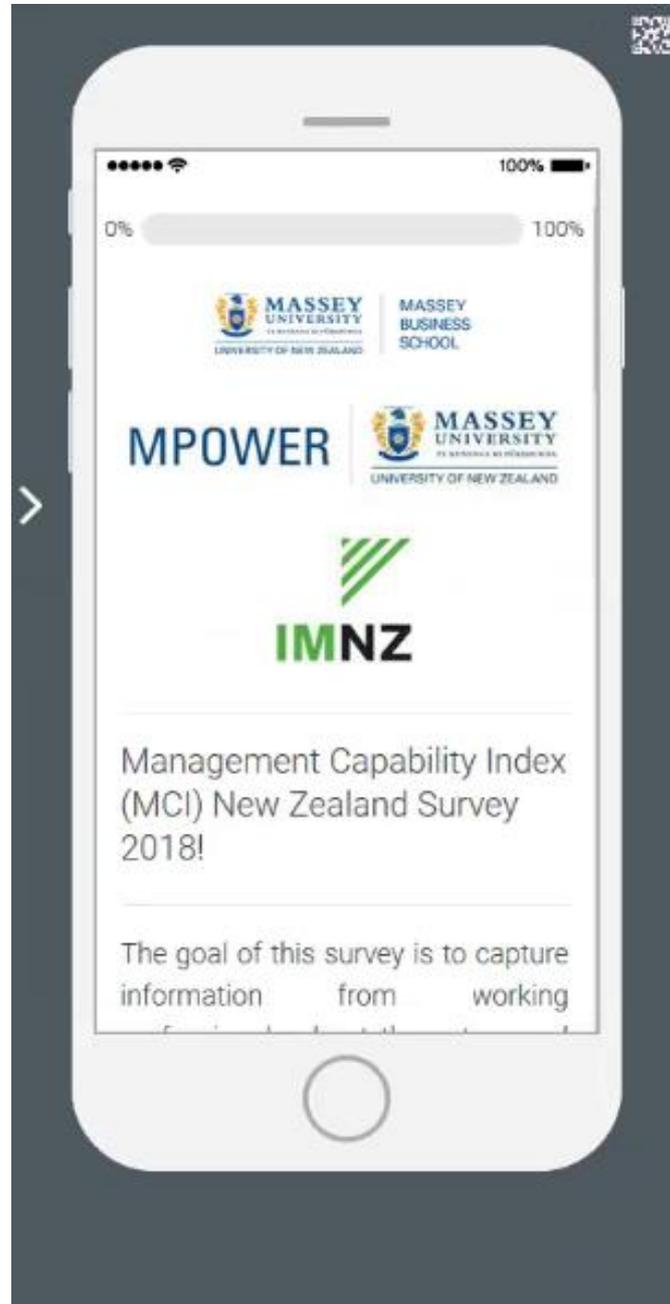




Source: Zenger *et al.* (2011: 88-89)

Appendix 4: 2018 MCI Survey (new)

Survey format if opened on a cell phone:



MCI, 2018



Management Capability Index (MCI) New Zealand Survey 2018!

The goal of this survey is to capture information from working professionals about the nature and impact of key management capabilities in New Zealand workplaces. The results will inform a survey report available to all survey respondents. MPOWER, the Massey People, Organisation, Work and Employment Research Group, is carrying out this research.

MPOWER and IMNZ would like to acknowledge the input of those professionals across New Zealand who provided feedback on an earlier version of this 2018 MCI survey.

Definitions used in the survey

The terms **managers** and **leaders** mean different things to different people. In this survey, we ask you to consider the senior executives in your organisation – they may be called the Executive Leadership Team or similar. Typically, they all report to the CEO or to a very senior group of executives. We will refer to them as “Management” and we include the CEO in this group.

Management capabilities refer to managers' competencies (skills, knowledge and aptitudes of relevance to their management role).

Survey Process

If you have any questions about the survey, please feel free to contact Professor Jane Parker via email (J.Parker@massey.ac.nz) or Dr Nazim Taskin (N.Taskin@massey.ac.nz) at the Massey University People, Organisation, Work, and Employment Research (MPOWER) Group.

This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of Massey University's Human Ethics Committees. The researchers are responsible for the ethical conduct of this research. If you have any concerns about the conduct of this research that you want to raise with someone other than the researchers, please contact Dr Brian Finch, Director (Research Ethics), email: humanethics@massey.ac.nz.

Section A: This section relates to contextual information on you and your organisation to assist in the survey analysis.

DEMLLevel Which of the following **best** describes your managerial level?

- CEO/MD (1)
- Other Senior Management (2)
- Middle Management (3)
- Line Management (4)
- Supervisor (5)
- Other (Please specify) (6) _____

DEMSex What is your gender?

- Male (1)
- Female (2)
- Other (3)

DEMeth Please indicate with which ethnicity you **most closely** identify:

- European/Pakeha (1)
- Māori (2)
- Pacific peoples (3)
- Asian (4)
- Middle Eastern/Latin American/African (5)
- Other (Please specify) (6) _____

DEMDuratO How long have you worked in this organisation?

- 0 - <6 months (1)
- 6 months - <1 year (2)
- 1 year - <2 years (3)
- 2 years - <5 years (4)
- 5 years - <10 years (5)
- 10 years - <20 years (6)
- 20 years or more (7)

DEMDuratP How long have you held your **current** position?

- 0 - <6 months (1)
- 6 months - <1 year (2)
- 1 year - <2 years (3)
- 2 years - <5 years (4)
- 5 years - <10 years (5)
- 10 years - <20 years (6)
- 20 years or more (7)

DEMHLoc Please indicate your organisation's New Zealand head office location.

- Auckland (1)
- Christchurch (2)
- Wellington (3)
- Dunedin (4)
- Other (Please specify): (5) _____

DEMOwnT Which of the following **best** describes your organisation's ownership type?

- National government (1)
- Regional council (2)
- Not for Profit/Charity (3)
- Publicly-listed company (4)
- Self Employed (5)
- Co-operative (6)
- Partnership (7)
- Sole Proprietor (8)
- Other (Please specify) (9) _____

DEMIndus Which of the following, best describes your organisation's industry?

- Accommodation and food services (1)
 - Administrative and support services (2)
 - Agriculture, forestry and logging (3)
 - Arts and recreation services (4)
 - Construction (5)
 - Education and training (6)
 - Electricity, gas, water and waste services (7)
 - Financial and insurance services (8)
 - Healthcare and social assistance (9)
 - Information media and telecommunications (10)
 - Manufacturing (11)
 - Mining (12)
 - Professional, scientific and technical services (13)
 - Public administration and safety (14)
 - Rental, hiring and real estate services (15)
 - Retail trade (16)
 - Transport, postal and warehousing (17)
 - Wholesale trade (18)
 - Other services (Please specify): (19)
-

DEMNumEmp Which of the following **best** describes the current number of employees in your organisation?

- 0 (1)
- 1-5 (2)
- 6-20 (3)
- 21-50 (4)
- 51-100 (5)
- 101-200 (6)
- 201-500 (7)
- 501-1,000 (8)
- 1,001-2,000 (9)
- 2,001 or more (10)

DEMANnuT What is your organisation's annual turnover?

- \$0 - <\$1 million (1)
- \$1 million - <\$5 million (2)
- \$5 million - <\$10 million (3)
- \$10 million - <\$20 million (4)
- \$20 million - <\$50 million (5)
- \$50 million - <\$100 million (6)
- More than \$100 million (7)

Section B: We are interested in your view of the management capabilities that derive organisational performance. To recap, management capabilities are managers' competencies (skills, knowledge and aptitudes of relevance to their management role).

CWeight Please provide a number to weight management in general in your organisation for **EACH** of the following categories **out of 100**.

Weight / 100 (1)

Visionary and strategic leadership (1)	
Performance leadership (2)	
People leadership and (self-)development (3)	
Financial leadership (4)	
Organisation capability (5)	
ApOplication of technology and knowledge (6)	
External relationships (7)	
Integrity, trust and corporate governance (8)	
Innovation and adaptability (9)	
Focus on getting to results (10)	

Section C: This survey is divided into 10 categories, each containing statements.

INFO1

For each statement, please tell us what you consider to be your organisation's current position using the following scale:

SCORE	CURRENT POSITION OF THE ORGANISATION
5	Yes, fully practised throughout the management team/organisation. Continually refined and improved as "the way things are done around here".
4	Yes, being practised consistently across the management team/organisation, with further improvements being made.
3	Yes, being practised across most parts of the management team/organisation, most of the time.
2	Yes, being practised, but only in parts of the organisation or by part of the management, part of the time.
1	Yes, this has just started.
0	No, this is not in place.

VSL 1. VISIONARY AND STRATEGIC LEADERSHIP	No 0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
Management articulates a clear and inspiring vision that is well understood (1)	<input type="radio"/>					
Management actively fosters and encourages ownership of the vision by staff (2)	<input type="radio"/>					
The vision and supporting goals underpin and guide management decisions and behaviours (3)	<input type="radio"/>					
Management plans with a view to growing the business while meeting the needs of shareholders/owners, taking into account employee, supplier, customer, and other stakeholder interests (4)	<input type="radio"/>					
Management demonstrates an international/global perspective and has a good understanding of global markets and global thinking (5)	<input type="radio"/>					
Management establishes stretch goals for itself and the organisation (6)	<input type="radio"/>					
Management demonstrates professional and technical expertise (7)	<input type="radio"/>					

Management demonstrates business acumen (8)	<input type="radio"/>						
Management champions change (9)	<input type="radio"/>						
PERFLE 2. PERFORMANCE LEADERSHIP	No 0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)	
Management ensures the organisation is strongly goal-, performance-, and achievement-focused (1)	<input type="radio"/>						
Management demonstrates the ability and attitude to lead and champion the achievement of challenging goals and change (2)	<input type="radio"/>						
Management balances risk with achievement, not risk avoidance (i.e. management is not risk averse) (3)	<input type="radio"/>						
Management consistently meets the organisation's performance goals and has a performance track record of growth and continually improving performance (4)	<input type="radio"/>						

Management **enables** the organisation to perform consistently better than its competitors or other comparable organisations (5)

Management analyses issues, and anticipates and solves problems. (6)

Management is organised and effective at performance planning (7)

Management **pursues** excellence in performance leadership (8)

PEOPLE 3. PEOPLE LEADERSHIP AND (SELF-)DEVELOPMENT

No 0 (1) 1 (2) 2 (3) 3 (4) 4 (5) Fully 5 (6)

Management attracts, retains, develops, motivates, inspires and leads an effective team capable of achieving organisational objectives (1)

Human resource planning is an **integral** part of the annual business planning process (2)

Management provides enhanced leadership - acts as a role model, is committed to developing and leading people (3)

Management is strong on empowerment - allows scope for people to grow and contributes toward employees' growth and their range of skills (4)

Management respects and maintains a culture supportive and inclusive of employees, their values and their diversity - not stifled by structure and hierarchy (5)

Management collaborates and fosters teamwork (6)

Management communicates powerfully and broadly to people in the organisation (7)

Management provides effective feedback and development of others (8)

Management provides rewards and recognition for loyalty and performance (9)

Management acts in the team's best interest (10)	<input type="radio"/>					
Management creates a high-performance team (11)	<input type="radio"/>					
Management involves others when making decisions (12)	<input type="radio"/>					
Management efforts generally get employee support (13)	<input type="radio"/>					
Management efforts generally get other managers' support (14)	<input type="radio"/>					
Management is motivated by the success of others (15)	<input type="radio"/>					
Management practises critical reflection and self-development (16)	<input type="radio"/>					

	No 0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
FINALE 4. FINANCIAL LEADERSHIP						
Management develops and commits to plans and goals that support sound growth and continuing performance improvement (1)	<input type="radio"/>					

Management leads and manages the organisation to consistently achieve or exceed these goals (2)

Management **practises** sound and effective management of the organisation including financial planning, accounting, cashflow management, investment, financial reporting, and liaison with financial institutions (3)

Management has experienced accounting and financial personnel for its financial management (4)

Management has in place sound and effective internal control systems through supervision and internal audit and hierarchy (5)

ORGCAP 5.
ORGANISATIONAL
CAPABILITY

No 0 (1) 1 (2) 2 (3) 3 (4) 4 (5) Fully 5 (6)

Management **builds** organisation capability, a culture of innovation, and a dedication to continuous improvement (1)

Management **brings about and maintains** an organisation that encourages collaboration between departments and does not rely solely on hierarchy to achieve its goals (2)

Management **effectively balances** strong effective teams with autonomous individuals (3)

Management has a **sound understanding** of best management practices to achieve organisational goals and objectives (4)

Management **demonstrates** strong commitment to continuous learning for both individuals and the organisation (5)

ATK 6. APPLICATION OF TECHNOLOGY AND KNOWLEDGE	No	0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
Management exploits information technology to bring about a knowledge-driven organisation (1)		<input type="radio"/>					
Management understands the impact of technology on organisations and on work itself (2)		<input type="radio"/>					
Management understands the value and application of knowledge in organisations (3)		<input type="radio"/>					
Management applies effective knowledge and information management (4)		<input type="radio"/>					
Management practises knowledge management and promotes a learning organisation culture (5)		<input type="radio"/>					
Management understands the need to actively protect information/data in the organisation (6)		<input type="radio"/>					

EXTREL 7. EXTERNAL RELATIONSHIPS	No	0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
Management develops networks and spheres of influence with stakeholders (1)		<input type="radio"/>					
Management maintains networks and spheres of influence with stakeholders (2)		<input type="radio"/>					
Management ensures the organisation has a positive external image through the building of effective relationships with all stakeholders including customers and suppliers (3)		<input type="radio"/>					
Management ensures the organisation has a positive external image through the fulfilment of community and social obligations (4)		<input type="radio"/>					
Management practises effective corporate social responsibility (5)		<input type="radio"/>					

Management encourages employees to engage with external stakeholders (6)



INTHCG 8. INTEGRITY, TRUST AND CORPORATE GOVERNANCE

No 0 (1) 1 (2) 2 (3) 3 (4) 4 (5) Fully 5 (6)

Management and employees understand ethical principles in making decisions on the organisation's affairs (1)



Management and employees follow ethical rules and procedures for making decisions (2)



Management and employees adhere to legislation, regulations and guidelines in administering the business of the organisation (3)



The organisation **promotes** an established standard of ethical behaviour for directors, management and employees based on a code of conduct (4)

The organisation **practises** integrity, honesty and ethical behaviour as necessary for sustained success (5)

Management is trustworthy, and displays honesty and integrity (6)

INNOADP 9. INNOVATION AND ADAPTABILITY

No 0 (1) 1 (2) 2 (3) 3 (4) 4 (5) Fully 5 (6)

Management and employees **create** the climate for and encourage continuous innovation in products and services (1)

Management and employees **recognise** innovation as an important aspect of business and for all of the organisation's processes – innovation is part of the organisation's culture (2)



Management and employees **recognise** that innovation leads the business to new dimensions of performance (3)



Management and employees **practise** innovation to create new values for the business customers and shareholders (4)



Management and employees **practise** innovation to expand the market and increase market share (5)



Management and employees **support** each other in risk-taking in innovation (6)

Management frequently **incorporates** customer views and priorities into the innovation process (7)

Management **seeks** ideas from the external market as part of an innovation process (8)

Management **is effective at** finding ways to commercialise innovation ideas (9)

Management **quickly responds** to innovation opportunities (10)

GRESULTS 10. FOCUS ON GETTING THE RESULTS	No	0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
	Management establishes the desired results clearly (1)	<input type="radio"/>					
Management has a clear strategy and activities to achieve desired results (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management builds on previous successes and lessons learned (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management provides frequent feedback to teams (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management monitors progress and makes adjustments when needed (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management has appropriate and effective metrics to measure desired results (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Management encourages others in the organisation to see desired results clearly (7)

○ ○ ○ ○ ○ ○

For each statement, please tell us what you consider to be your organisation's current position using the following scale:

SCORE	CURRENT POSITION OF THE ORGANISATION
5	Yes, fully practised throughout the management team/organisation. Continually refined and improved as "the way things are done around here".
4	Yes, being practised consistently across the management team/organisation, with further improvements being made.
3	Yes, being practised across most parts of the management team/organisation, most of the time.
2	Yes, being practised, but only in parts of the organisation or by part of the management, part of the time.
1	Yes, this has just started.
0	No, this is not in place.

RESULTS 11. MANAGEMENT CAPABILITY OUTCOMES	No 0 (1)	1 (2)	2 (3)	3 (4)	4 (5)	Fully 5 (6)
Management has been able to meet the revenue targets of the organisation (1)		<input type="radio"/>				
Management has been able to generate the desired profit/surplus for the organisation (2)		<input type="radio"/>				
Management has been able to keep employees satisfied (3)		<input type="radio"/>				
Management has been able to keep customers satisfied (4)		<input type="radio"/>				
Management has been able to maintain or increase employees' <i>job</i> satisfaction (5)		<input type="radio"/>				
Management has been able to stabilise or reduce employee turnover rates (6)		<input type="radio"/>				
Management has been able to maintain or improve a positive work culture which supports workers and benefits the company (7)		<input type="radio"/>				

Section D: This section focuses on the development of management capabilities.

InTRAIN Please rate the adequacy of **in-house training** in your organisation in terms of meeting current management capability development needs across the 10 categories where 1=very inadequate and 5=very adequate (0=Don't know/NA)

	DK/NA 0 (1)	Very inadequate 1 (2)	2 (3)	3 (4)	4 (5)	Very adequate 5 (6)
1 - Visionary and strategic leadership (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 - Performance leadership (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 - People leadership and (self-)development (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 - Financial leadership (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 - Organisation capability (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6 - Application of technology and knowledge (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7 - External relationships (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8 - Integrity, trust and corporate governance (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9 - Innovation and adaptability (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10 - Focus on getting to results (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall impact on management capability (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ExtTRAIN Please rate the adequacy of **external training** available through your organisation in terms of meeting current management capability development needs across the 10 categories where 1=very inadequate and 5=very adequate (0=Don't know/NA)

	DK/NA 0 (1)	Very inadequate 1 (2)	2 (3)	3 (4)	4 (5)	Very adequate 5 (6)
1 - Visionary and strategic leadership (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 - Performance leadership (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 - People leadership and (self-)development (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 - Financial leadership (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 - Organisation capability (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6 - Application of technology and knowledge (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7 - External relationships (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8 - Integrity, trust and corporate governance (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9 - Innovation and adaptability (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10 - Focus on getting to results (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall impact on management capability (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IMPYN Do you feel that the development of management capabilities in your workplace could be improved?

- Yes (1)
- No (2)
- Not Sure (3)

Display This Question:

If Do you feel that the development of management capabilities in your workplace could be improved? = Yes

IMPHOW If yes, how might this be done?

HINDMC Please **comment** on any factors that you perceive to **help or hinder** management capability development in your organisation.

MINDSET Do you have any **comments** on the 'mindset' of your management in terms of **investing** in management capability development (e.g. is their investment adequate? Do they adopt a life-long learning or any other approach?).

ADD Finally, is there anything you want to add?

Q40 Thank you for completing the survey - your responses are invaluable.

The aggregate results will be published in a publicly-available report on the IMNZ and MPOWER websites.