Having examined the need for a change in management development strategy, and identified possible future directions, it is now useful to look at what is currently happening, in development terms, in the financial sector.

This chapter examines the changes in thinking and practice in the sector. To illustrate both the range of changes, and common threads, the chapter reviews thinking and practice in a range of specific companies; as well as identifying the main common strands in current thinking in the sector.

The companies reviewed are grouped into the three major divisions of banking, insurance and building societies.

**BANKING**

**Midland Bank**

Mevyn Howell (Manager, Management Development – Retail Banking Sector) has identified a far-reaching range of changes which need to occur, in his view, if the banks are to address successfully the challenges facing them. He does, however, recognise that in large organisations it is difficult to bring about radical change quickly.

What he sees is an agenda for change which must be carefully examined. The main changes identified as being important to implement are:

- A need to move away from a single, bankwide, career structure to ‘multi structures’, which cater for both specialists and generalists. This is closely tied to a recognition of the need for the organisation to move to a separate business unit philosophy. Midland are currently making this move to a structure of discrete business to replace the former loosely-knit federation of subsidiary companies.

- Differentiation in recruitment. Career paths are being divided
into clerical work force; supervisory/junior managerial; and the 'high potential' senior managerial élite. Opportunity for movement into a higher tier must none the less be kept open, to ensure that talent is not lost due to absolute rigidity in the system.

- Widespread use of formalised assessment techniques will be necessary to sharpen the recruitment and developmental processes.

- Although the bank currently invests heavily in general management education two change are envisaged. First, such education needs to complement development more fully and thus commence at an earlier stage than hitherto.

  Secondly, the programme will need to be more specifically 'tailored' to the business issues facing the bank. The broadening of specialist experience will need to be a major aim of such programmes.

- Development needs to be given back to the staff. In other words, the emphasis must move towards self-development, supported by objectively-based performance appraisal, open and participative potential assessment, and application-driven job selection processes, rather than the traditional, often secret, nomination-based systems.

- The change in the organisation of the bank to address market needs will result in increased differentiation of skills and talents required. In development terms the bank's 'traditional' view of management being built on and supported by shared knowledge bases will have to change, and be replaced by a differentiated style.

- Perceptions of clearing bank careers will need to be changed. Increasingly people will need to be recruited on a high performance, high reward basis; but not necessarily for a full career life span.

- The traditional attitudes to professional qualifications need to be changed. This shift will not relate to the qualifications per se, but rather to their indication of aspiration and personal commitment to self-development.

- The increased focus on self-development will be underpinned by