STOCKHOLM SCHOOL OF ECONOMICS
Master of Science in Business & Management
Specialization in Management
Master's Thesis

Management Development in Internal Consulting Units

An Exploratory Case Study in Germany

Abstract: Management development (MD) has become increasingly important as companies are finding it harder to fill their management talent gaps through external hires. However, studies have shown that most organizations are not achieving their MD objectives. Thus, alternative solutions to conventional approaches need to be found. One effective solution could lie in utilizing the MD capabilities of internal consulting units (ICUs). Thus far, research has acknowledged MD as a frequent task of ICUs but has not detailed how this development takes place or how effective it is. Therefore, this study employs an exploratory case study in a German company to examine *how ICUs can effectively contribute to MD*. To find answers, semi-structured interviews were conducted with 20 former internal consultants who moved into management positions in the ICU's parent company. The study concludes that ICUs can contribute to effective MD by capitalizing on their favorable characteristics while they could circumvent limiting characteristics through adapting formal MD methods. Further, it reveals how five ICU characteristics can affect on-the-job and off-the-job development of manager competences. The diverse consultant backgrounds and the ICU's variable project work are characteristics that can influence different MD aspects both positively and negatively. The fact that ICUs are embedded in the parent organization is a solely favorable characteristic, whereas the lack of hierarchy and the high turnover can have limiting effects on MD. Additionally, to fit the ICU context, a widely used three-skill taxonomy of manager competences needed to be extended and the classification was deemed insufficient to capture additional important MD outcomes. With these findings, this study builds a bridge between MD and ICU research and increases the understanding of MD in the context of ICUs.

Key words: Management development, internal consulting units, manager competences, management development processes, exploratory case study

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Presentation: May 2014

Acknowledgements

We are grateful to a number of people who have supported us greatly in the development of our thesis.

We would first like to thank our supervisor Andreas Werr for his very valuable support and constructive feedback throughout the entire process of writing this thesis.

Furthermore, we would like to extend our gratitude to our contact person at the studied company for her great support as well as all to our interviewees for taking the time to share their perceptions with us. Without you, this thesis would not have been possible.

Last but not least we would like to thank our fellow SSE students and friends who have helped us with much appreciated feedback, comments, and advice.

Stockholm, May 19, 2014

Marie Kusche Anna Schrum

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CSS	Case Study Subject
ICU	Internal Consulting Units
Int	Interviewee
MD	Management Development

1. Introduction

To introduce the subject of this thesis, the following section begins by portraying the significance of management development (MD) and internal consulting units (ICUs) in practice and elucidating the need for research in the respective fields (1.1). It further highlights the value of researching these fields jointly by explaining the purpose of studying MD in ICUs (1.2), which leads to the formulation of our main research question (1.3). This section ends by presenting an outlook on the subsequent chapters of the thesis (1.4).

1.1. Background

Many scholars assert that the 'war for talent' is still waging and scarcity of management talent is one of the great challenges of business today (e.g. Byham, 2000; Guthridge, Komm, & Lawson, 2008; Ray, Mitchell, & Abel, 2012). In order to train rather than buy the needed talent, organizations place greater importance on management development (MD) (BCG, 2007) which includes all activities that build management expertise (Mabey, 2005). However, limited resources and capabilities in the field necessitate the search for effective methods and approaches (Capelli, 2013; BCG, 2007). A potential solution could lie in the MD capabilities of internal consulting units (ICUs). These units were established as a response to disadvantages of external consulting services, such as high cost, reputation for standardized solutions, knowledge outflow and a lack of implementation capabilities (Büchsenschütz & Baumgart, 2005; Dekom, 1969; Johri, Cooper, & Prokopenko, 1998; Mohe, 2007; Moscho & Richter, 2010). Although ICUs are frequently developing their consultants into management positions in the parent organization (Kelly, 1979), little is known about how, and especially how effectively, they achieve this. This warrants a closer investigation into how ICUs can contribute effectively to MD. First, however, the two topics of MD and ICUs are addressed separately.

1.1.1. Management Development

Numerous scholars have suggested that managers are a vital source of competitive advantage for organizations, which is reflected in their critical impact on the financial performance of firms (Becker & Huselid, 2006; Brown, 2005; Kirwan & Birchall, 2006; Lawler, 2008; Longenecker & Ariss, 2002; Wickramasinghe & De Zoyza, 2009). However, the management talent that is needed to create this competitiveness is scarce (Byham, 2000; Ray et al., 2012). On the entry level, decreasing birth rates in developed countries lead to a shortage of tertiary graduates, while in developing countries low educational quality makes much of the large pool of graduates unsuitable for employment (Ray et al., 2012). On the senior level, the retirement of baby boomers creates gaps, and flatter hierarchies decrease the pool of middle managers to be trained (Byham, 2000; Guthridge et al., 2008). Additionally, increasing demands on top management

positions make it more difficult to find candidates with all required capabilities, and retirement becomes a more attractive option for many (Byham, 2000; Dreher & Dougherty, 2002).

Virtually all companies seem to struggle greatly to fill their leadership positions (Deloitte, 2010; Ready & Conger, 2007). Parry and Procter-Thomson unearthed that top management believes that only 51% of their immediate subordinates are capable of taking on senior roles (as cited in Ruth, 2007). In this light it is no surprise that a study among executives in Europe revealed that improving leadership capabilities was judged to be of extremely high importance (BCG, 2007), and that some asserted that "human capital is the second-ranked critical challenge for CEOs worldwide" (Ray et al., 2012, p. 21). This management talent gap cannot be filled anymore by solely recruiting externally (Cook, 2006); instead, companies "need to grow their own talent" (Byham, 2000, p. 37). Consequently, the majority of HR managers focus on both internal growth and external recruitment (Cook, 2006).

Efforts of internal growth, however, have not shown the desired success. Mabey and Grey discovered that only 19% of companies they surveyed achieved their MD objectives (as cited in Suutari & Viitala, 2008). One reason for this might lie in the question of responsibility. While it is often assumed that HR is responsible for MD (Bolt, 1993; Collings & Mellahi, 2009; Cook, 2006), CEOs consider talent development as “too important to be left to HR alone” (Collins & Mellahi, 2009, p. 305). This has caused a trend away from the traditional HR-driven formal MD to business-led and integrated methods that are more connected to the manager’s daily work (Garavan, Heraty, & Barnicle; 1999). As one example, responsibility seems to move towards the superiors of the people to be developed (Capelli, 2013). Although these superiors know the development needs of their subordinates, they often do not possess the required expertise or time to implement MD effectively (Capelli, 2013). These difficulties underline the need to further search for supplementary solutions to effective MD (Garavan et al, 1999).

So far, empirical and practical MD literature has focused on best practice approaches in successful companies (e.g. Brown, 2005), studying their effectiveness primarily from the perspective of HR professionals (Mabey & Gooderham, 2005). Although scholars have acknowledged the influence of contextual factors on the effectiveness of MD (Yukl, 2002), research has not ventured into the realm of other corporate centers than HR. One of the contexts that could prove to provide the needed alternative solutions to MD is the ICU, which is introduced in the following.

1.1.2. Internal Consulting Units

Starting to appear in the 1950s, ICUs experienced a short-term boom in the US in the beginning of the 1980s (Johri et al., 1998). In Europe, the last two decades have seen strong growth of ICUs

especially in Germany (Bayer Business Services, 2009; Büchsenschütz & Baumgart, 2005; Krauseneck, 2004), which is one reason why this country is an interesting context and the focus of our study. Today, it is estimated that there are about 100-150 ICUs in Germany and that 70% of DAX30-companies[1] have such a unit (Galal, Richter, & Steinbock, 2010). Bayer Business Services (2009) approximated the value of all internal consultancy services in Germany at 450-640 million Euros and concluded that the phenomenon of the ICU is not temporary. In contrast, the growth of ICUs is expected to continue and will especially impact mid-sized companies due to increasing cost awareness (Galal et al., 2010; Iliev, Salm, & Teckentrup, 2010; Kolbeck & Mohe, 2005).

In light of the increased significance ICUs have gained, it seems paradoxical that they have only been studied scarcely in academia and have "yet to be studied in-depth by the scientific community" (Grima & Trépo, 2011, p. 144; see also Galal, Richter, & Steinbock, 2009; Hoyer, 2000; Moscho & Richter, 2010; Theuvsen, 1994). In general, external consulting is at the center of attention in academia (Sturdy & Wright, 2011), and research on professional services embedded in larger organizations is scarce and outdated (Wylie, Sturdy, & Wright, 2010). Since Dekom's first empirical-descriptive study on the topic in 1969 only few extensive studies followed (e.g. Allanson, 1985; Bayer Business Services, 2009; Hoyer, 2000; Kelley, 1981; Theuvsen, 1994). Concerning the empirical part of this literature, there seems to be more research available in German than in English.

Within the small body of ICU literature, much focus has been placed on the differences between internal and external consultancies or the role of the individual consultant (e.g. Allanson, 1985; Bianco, 1985; Kelly, 1979; Scott, 2000; Sturdy & Wright, 2011). One of the latest works aimed at filling the gap of scarce empirical evidence is the work of Moscho and Richter (2010), who published an overview of the current status of ICUs in Germany, partly basing their findings on a recent empirical study conducted by Bayer Business Services in cooperation with the European Business School in Germany.

The limited number of studies that investigates them has identified a great number of different functions that ICUs can play within their parent organizations (e.g. Herbst & Klinge, 2010; Kämper & Vogel, 2010; C. Niedereichholz, 2010). One of these roles is management development (e.g. Dekom, 1969; Galal et al., 2009), but no study could be found that investigates the effectiveness of MD in ICUs, so that their role as contributors to MD is not yet clear.

[1] DAX30-companies are the largest and strongest-selling companies that are traded at the Frankfurt stock exchange

1.2. Research Purpose

The preceding section revealed the rising significance of MD and ICUs in practice. Due to the growing need for MD, organizations require clarity about the effects and effectiveness of different approaches. While MD as one role of ICUs has already been identified by literature (e.g. Deelmann & Petmecky, 2005; Werner, 2000), the scarce research in this field does not reveal in depth how internal consultants are or could be prepared for their future management positions. Narrowing this research gap would lead to a better understanding of how ICUs can contribute to the effective development of future managers, so that these units could support the organizational goal of increasing leadership capabilities. Consequently, we combine the search for effective MD and the need to produce more academic knowledge about ICUs by studying MD in ICUs as illustrated in Figure 1.

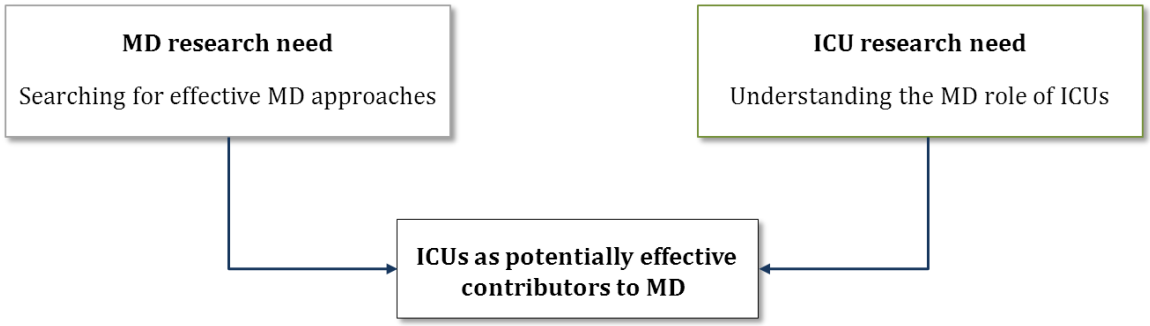

Figure 1: Research Purpose

This thesis intends to build a bridge between MD and ICU literature by conducting an exploratory case study of MD in a German ICU. It contributes to the development of research and practice in multiple ways.

First, this study strives to contribute to the expansion of the body of MD literature. It aims to take an under-researched perspective to study the effectiveness of MD by examining it through the eyes of internal consultants who moved into management positions. Thereby, it investigates which ICU-specific characteristics influence the development of management competences to determine whether ICUs are suitable for effective MD. Additionally, this study wishes to help research catch up with practice as ICUs have apparently been involved in MD for a substantial period of time, which has been neglected in the MD literature to date. Second, the study seeks to expand the scarce body of research on ICUs by contributing to the in-depth understanding of one of the roles that ICUs can play in organizations.

The study's practical purpose is to both support practitioners responsible for MD to include their ICUs in MD strategies and ICU leaders in improving their MD. For those tasked with implementing or improving MD in their organizations, this study intends to investigate whether

ICUs can be considered as one alternative and effective approach to MD. For leaders of ICUs, our findings could provide an initial indication of how to achieve effective MD while fulfilling their other purpose of improving organizational performance through project work.

1.3. Research Question

In order to achieve its purpose, the present study commences to investigate the interface of the fields of MD and ICUs in depth by posing the research question:

How can ICUs effectively contribute to MD?

This question aims to investigate the ICU's potential for effective MD which is understood as the development of competences that are relevant for manager roles. This potential can be revealed through the identification of ICU-specific characteristics that favor or limit MD. To identify these, we need to understand the present situation of MD in ICUs and thus ask the following two sub-questions:

I. *Which competences do consultants learn in the ICU that they perceive as relevant to their later manager role?*
II. *How are these competences developed?*

Sub-questions I and II illustrate the present situation of MD and can be addressed separately. By further analyzing the reasons for why certain competences are developed and others are missing and especially why certain MD processes are more effective than others, we can identify favorable and limiting characteristics and evaluate how ICUs can effectively contribute to MD.

1.4. Disposition

This thesis continues by reviewing the relevant literature on MD and ICUs to create a general understanding of the topics and to build a theoretical framework for this thesis (Chapter 2). The first part of the review improves the understanding of the two topics, shows their interconnectedness, and ends with a brief summary of the need for this research. In order to create an underlying guide for studying both concepts together, a theoretical framework is subsequently developed, which consists of the MD components manager competences and MD processes and of the ICU characteristics that influence them. This literature review is followed by the introduction of the methodological choices made in this study (Chapter 3). It includes information on the research approach, the case study, the data collection and treatment, and the quality aspects of this study. Thereafter, the findings from the case study are introduced and empirical data is intersected with paragraphs of analysis for an improved understanding (Chapter 4). The analysis leads to initial adjustments to the theoretical framework. All findings are subsequently discussed and the theoretical framework completed with the ICU

particularities (Chapter 5). Finally, the major findings of this study are concluded in light of the research questions before theoretical and practical implications, limitations of the study, and avenues for further research are illustrated (Chapter 6). Chapter 7 and 8 provide a list of references and appendices with complementary information respectively.

2. Literature Review

This chapter provides a brief literature review of MD and ICUs. After an introduction to our review approach (2.1), the first part focuses on the concept of MD (2.2), defining the term and elaborating on manager competences as its goal. Given that ICUs might be contributors to effective MD, the chapter continues to define ICUs, describing their features and roles in organizations (2.3). The literature on both MD and ICUs is subsequently summarized to clearly illustrate the research need that this study aims to address (2.4). The last section of the review is concerned with building an initial theoretical framework to serve as basis for the empirical part of the study (2.5).

2.1. Review Approach

The literature review for this study was conducted in libraries in Germany and Sweden and in electronic databases. The main databases used were EBSCO, Emerald and SAGE. After having searched with single or multiple keywords, most non-peer reviewed articles were excluded in order to ensure a high quality of the review. Useful references found in these articles led to the discovery of further sources.

2.2. Management Development

The literature on MD is manifold and is largely concerned with definitions of the concept, manager competences that should be developed, and processes and methods that can be employed to develop them (e.g. Brown, 2005; Nixon, 1996; Yukl, 2002). Researchers are also looking at the effectiveness of different solutions for MD, but the literature makes no mention of ICUs as potential contributor. Therefore, this section is restricted to improving the understanding of MD as a concept and to clarifying the meaning of manager competences. A detailed review of models for manager competences and MD processes is not needed for this understanding, but serves a better purpose in the last part of the chapter for the development of our theoretical framework.

2.2.1. MD as a Concept

MD as a delimited area of talent development has been defined differently by various scholars (e.g. Brown, 2005; Paauwe & Williams, 2001). To establish an unambiguous understanding of the concept while keeping an open mind, this paper adopts the clear but wide definition of "all on-the-job and off-the-job activities, structured and unstructured, formal and informal, that are undertaken to develop your manager's expertise" (Mabey, 2005, p. 1).

Suutari and Viitala (2008) noticed the usage of both the term management development and leadership development and point to the "overall unsystematic use of leadership and

management terms in the literature" (p. 377).[2] We agree with the one-dimensional treatment of both concepts by various scholars and consider manager competences part of the skill set of "leader-managers" (Kotter, 1990, p. 104; see also Drucker, 1954; Nienaber, 2010; Simonet & Tett, 2012; Young & Dulewicz, 2008). This is appropriate since the study does not investigate the differences between managers and leaders but the general learning and development of leader-managers into the ICU's parent organization. Moreover, the present study is conducted in a German context, in which the linguistic difference between leaders and managers is not as clear (Junzer, 2007).[3]

2.2.2. Manager Competences

Since it is important to know *what* needs to be developed before defining *how* this is to be done, manager competences become a key component of MD and both represent the starting point and outcome of MD processes. Within academia the concept of competences has been studied in depth, leading to a host of definitions (e.g. Barber & Tietje, 2004; Boyatzis, 1982; Le Deist & Winterton, 2005). This paper adopts the view of Parry (1996), who defined managerial competences as "a cluster of related knowledge, skills and attitude […] that affects a major part of one's job, […] that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development" (p. 50). This developable nature of competences, which is also supported by authors such as Goodge (1998), Katz (1955), and Suutari and Viitala (2008), is an important feature in this work. Thus, we acknowledge but neglect the view of authors such as Karakas, Sarigollu, and Manisaligil (2013) or Zaleznik (2004), who argue that personality traits determine good managers.

Another facet of competences is their transferability to different contexts. To this end, Sandberg (2000) asserted that the prevalent view assumes that manager competences are universal constructs, meaning they can be defined, developed, and applied independent of their context. However, critics of this universal view stated that an increasing standardization of competences contradicts the competence-based theory of the firm by Prahalad & Hamel (1990) and supported a situational view of the concept (Capaldo, Iandoli, & Zollo, 2006; Jackson, Farndale, & Kakabadse, 2003; McKenna, 2002; Yukl, 1989). In accordance with Barber and Tietje (2004) as well as Herling and Provo (2000), we argue that both universal and situational competences are needed. This view is relevant to our case because we focus on internal consultants, who need to

[2] Some scholars believe there are great differences between managers and leaders (e.g. Maccoby, 2000; Toor, 2011; Zaleznik, 2004). Others advocate a one-dimensional treatment of managers and leaders (e.g. Drucker, 1954; Nienaber, 2010; Simonet & Tett, 2012; Young & Dulewicz, 2008). A third stream of research argues that leadership and management are two different concepts, but are both required in positions with responsibility (Kakabadse & Kakabadse, 1999; Kotter, 1990; Mintzberg, 2004).

[3] This is partly due to the fact that the word 'leader' (Führer) in German historically carries a negative connotation and is not used anymore. The English word 'manager' has been adopted into German (Baecker, 2006), but its German synonym (Führungskraft) includes the word 'leading', pointing to an overlap of both concepts.

combine the methodological competences of the consulting profession with context-specific knowledge of the organization (Max, Haas, & Rodig, 2010).

2.3. Internal Consulting Units

The small body of ICU literature that does not merely compare between internal and external consultancies primarily covers development, definition, particularities, and roles of ICUs and portrays internal consultants (e.g. Dekom, 1969; Galal et al., 2010; Moscho & Richter, 2010; C. Niedereichholz, 2010). As one of these roles, MD is mentioned but not detailed. Thus, in this section we first introduce ICUs by defining them and delimiting their internal consultants' attributes. Thereafter, we address which roles ICUs can play in organizations and focus on MD.

2.3.1. ICUs as a Concept

The emergence of ICUs dates back to the 1950s when the first ICUs grew out of staff functions in North America and Europe (Dekom, 1969; Johri et al., 1998). The impetus for their formation was based on the growing need for professionalized project work accomplished by employees who could implement recommendations at lower costs than external consultants, due to their short familiarization period (Dekom, 1969; Galal et al., 2010; Moscho & Richter, 2010) while at the same time keeping critical knowledge within the company (Dekom, 1969; Dörzbach & Woyde-Köhler, 2010).

The concept of ICUs is ambiguously defined in academia (e.g. Klein, 2007). In order to make a clear distinction to an ordinary staff unit (Deelmann & Petmecky, 2005; Theuvsen, 1994), this paper assumes the view of Galal et al. (2009), who defined ICUs based on three criteria:

1. Organizational independence within the group structure (including own governance structure […])
2. Permanent employment of the consultants in this unit (as opposed to a onetime deployment of employees in a consulting function on single projects)
3. Performing project-based consultancy work through teams […]. (p. 284, translated by the authors)

Even though they conduct similar work to external consultancies, "ICUs, being embedded in the large, bureaucratic structures of industrial firms, face very different conditions from the independent professional service firm" (Ejenäs & Werr, 2011, p. 14). The differences are, amongst others, reflected in different unit structures, cultures and management processes (Johri et al., 1998) and have been studied in depth within in the limited research existing on ICUs (e.g. Bianco, 1985; Lacey, 1995, Miller & Subbiah, 2012; J. Niedereichholz, 2010). One difference of particular importance for this study is that development plans of external consultancies are

naturally not geared towards the development of (line) managers, but towards a career path within the consultancy (e.g. becoming a partner), which is why we cannot utilize the body of research on them for our purpose.

2.3.2. Attributes of Internal Consultants

Internal consultants are generally recruited both from inside and outside the company (Dekom, 1969). According to a study by Bayer Business Services (2009) external hiring seems to increase in accordance with the ICU's size.[4] Thus, while smaller units mainly recruit internally, larger units primarily employ graduates and former external consultants.

Independent of ICU sizes, 90% of internal consultants hold a university degree and a significant amount received second degrees such as MBAs or PhDs (Dekom, 1969; Galal et al., 2010). Whereas Dekom (1969) asserted that "any given company's consultants are most likely to have degrees in fields important in running the business of that company" (p. 14), Moscho, Bals, Neuwirth, and Tobies (2010) as well as Dörzbach and Woyde-Köhler (2010) found that the ICUs they studied, considered it important to employ consultants with a variety in educational and professional backgrounds. On average, internal consultants are 35 years old (Bayer Business Services, 2009).

2.3.3. Clarification of ICU Roles in the Organization

The primary purpose of ICUs is "to enhance the productivity of functional or product divisions through the provision of common services" (Johri et al., 1998, p. 4). In order to fulfill this goal and to respond to their parent company's strategic intentions, ICUs can be designed in various ways and with different foci. According to C. Niedereichholz (2010), ICU roles underlie high volatility caused by the unit's proximity to top management and potentially frequent changes to the organizational strategy.

General roles of ICUs and internal consultants

C. Niedereichholz (2010) distinguished between different 'types' of ICUs, encompassing a wide range of different functions such as gathering places of "project bereaved" ("Projekthinterbliebene", p.7), collection points for know-how, or incubators for change. Moreover, they can be seen as fast response units with high acceptance within the parent company and as affordable counterparts to external consultants (Kämper & Vogel, 2010).

Depending on the functions of the ICU, internal consultants may assume various roles as well. Kelly's (1979) study among 200 internal consultants showed that "internal consultants work

[4] Bayer Business Services (2009) divided ICUs according to size into small (1-15 employees), medium (16-75 employees), and large (75 + employees) ICUs.

under 96 different job titles […] and […] regard themselves as broad-range generalists" (p. 111; see also Grellmann, Heil, & Samaties, 2010). Recent scholars report that internal consultants can, for example, serve as researchers, coaches, knowledge brokers, troubleshooters, or change agents (Knödler, Degen, & Benath, 2011; Miller & Subbiah, 2012).

In accordance with their roles in the organization, ICUs handle projects in various fields. Galal et al. (2010) found that project foci largely depend on the size of the ICU, where the majority of large ICUs work on strategic tasks, while smaller ICUs engage primarily in operational processes.

Role of MD

Besides the different roles mentioned above, one additional task of ICUs can be found in the ICU literature: talent and management development (e.g. Kämper & Vogel, 2010; C. Niedereichholz, 2010). Especially the latter is of major importance to this study.

In a recent study by Herbst and Klinge (2010), 73% of the interviewed managers at a large German bank stated that one important task of their ICU was the development of talents. C. Niedereichholz (2010) considered the time within ICUs an ideal way to develop employees and to assess high potentials that can be placed in positions within the parent company afterwards. As one reason, she stated that ICUs are frequently seen as replacement for job rotations. Other scholars described ICUs as "talent pool" (Herbst & Klinge, 2010, p. 63; see also Galal et al. 2009). After three to four years in the unit, between 66% and 80% of internal consultants change into positions within the parent organization (Galal et al., 2010; Max et al., 2010; C. Niedereichholz, 2010; Werner, 2000). These positions can either be staff or line positions or roles within other project units (Galal et al., 2009; Herbst & Klinge, 2010).

A number of authors particularly focused on managers (as opposed to general talent) and mentioned MD as an explicit task of ICUs (e.g. Bayer Business Services, 2009; Kämper & Vogel, 2010; Petmecky, 2005). According to these researchers, many companies view their ICU as strategic platform to develop young management talent. From his experience in an ICU, Werner (2000) concluded that ICUs develop future managers by teaching them "economic relationships with practical examples; structures, organizations, and processes in the organization; tested and new management tools; project management; working in teams under difficult circumstances; [and] social interaction with decision makers and stakeholders" (p. 102, translated by the authors). At the same time, however, he argued that ICUs have not been successfully established as developers of managers as they are not integrated into the organization-wide process yet. Despite the apparent importance of MD in ICUs, academia neither provides scientific confirmation for either of Werner's statements, nor detailed information on how management is to be developed effectively.

Rather than focusing on the learning process that internal consultants undergo, authors emphasize other reasons to explain why ICUs produce suitable managers. Herbst and Klinge (2010) reported that benefits for the parent organization lie especially in the reduced hiring risk and onboarding costs because internal consultants have already proven themselves in various projects. They also mentioned the internal consultants' knowledge of the company and their wide network as advantage for their future superiors. These latter aspects are supported by Grellmann et al. (2010), who emphasized the network and knowledge about the companies' strategies as providing acceptance in the company, which they see as especially important for central functions. Moreover, Grellmann et al. argued that a wide network could help positioning consultants for future jobs within the parent organization in the first place because of their visibility to decision makers.

2.4. Summary of Research Need

This section provides a brief summary of the research that has been utilized thus far in the introduction and literature review to illustrate again the need for research that this study addresses.

First, the literature clearly showed that management talent is scarce both in- and outside companies, so that decision makers need to focus on developing leadership capabilities internally (e.g. Byham, 2000; Cook, 2006; Ready & Conger, 2007). However, scholars have also revealed that management development is not successful yet because organizations often lack the necessary capabilities and resources (e.g. BCG, 2007; Capelli, 2013; Suutari & Viitala, 2008). To improve their MD efforts, companies need to find alternative solutions and gain a better understanding of the effects and effectiveness that different MD approaches provide. Since ICUs frequently prepare their internal consultants for management positions, it becomes important to include them into these MD considerations (e.g. Herbst & Klinge, 2010; Kämper & Vogel, 2010; Petmecky, 2005). Despite their contribution potential, ICUs have not been integrated into overall organizational MD strategies to date and can thus not fulfill their role satisfactorily (Werner, 2000). This might be partly because it has not been understood how exactly managers are developed in these units and how certain ICU characteristics impact MD. We need to fill this knowledge gap to be able to use the ICUs capabilities in the development of more effective MD.

This study approaches this gap through an empirical case study of MD in one ICU. As basis for this case study, we develop a theoretical framework in the following section.

2.5. Theoretical Framework

Since MD needs to consider the 'what' and the 'how' of development, the theoretical framework that serves as basis for our study is built with literature on manager competences and MD processes. Additionally, the contextual characteristics of ICUs that can influence MD need to be discussed. The section ends with a summary of the theoretical framework.

2.5.1. Manager Competence Models

Before investigating in more detail how managers are developed, this chapter focuses on required management competences that are seen as starting point for any MD process (Max et al., 2010; Mumford, Zaccaro, Connelly, & Marks, 2000; Parry, 1996). Since the concept of manager competences is a wide-ranging and partly controversial topic in academia (e.g. Jackson et al., 2003; Tett, Guterman, & Murphy, 2000; Yukl, 1989) which is not the main focus of this work, it will only be covered to an extent that helps build a framework for this research.

What is of interest to this study is to identify the competences that are needed to develop competent managers. In various studies on this topic different scholars either generated extensive lists of competences or emphasized particular skills they considered most important (e.g. Byham, 2000; Dalakoura, 2010; Jackson et al., 2003; Wickramasinghe & De Zoyza, 2009; Young & Dulewicz 2008; Zaleznik, 2004). Higgs' assertion that the concept of leadership "has been studied more extensively than almost any other aspect of human behavior" (as cited in Young & Dulewicz, 2008, p. 17) explains the variety of researched management competences and makes the attempt to depict the most frequently mentioned skills prone to incompleteness.

Following a close review of management competence models (see for example Tett et al., 2000; Young & Dulewicz, 2008), we have to conclude that no prevalent, complete and practical model exists to support our research. This is understandable in light of the various roles and functions that managers need to play. Nevertheless, a broad competence categorization is deemed useful to guide our empirical research and will thus be addressed below.

In the ICU literature, Max et al. (2010) provided a competence taxonomy for internal consultants comprised of technical, methodical, and social competence. However, these authors specifically describe their categories in terms of competences needed as consultant. In this form, the classification could not be used for managers, which is why we disregard it.

Nevertheless, also in the management literature "the most widely accepted approach for classifying managerial skills is in terms of a three-skill taxonomy" (Yukl, 2002, p. 176). Katz (1955) and Mann (1965) introduced such taxonomies of developable management competences with only slight differences and were cited numerous times by later scholars (e.g. Yukl, 2002;

Van den Bosch & Van Wijk, 2001; Udod & Care, 2004). Since this categorization seems to be a mainstay in competence research, it is selected as basis for our framework. We use Katz' (1955) labelling of technical, conceptual, and interpersonal skills but complement his definitions with the more detailed explanations of Yukl (2002) of the same categories. These are explained in Table 1.

Competences	Description
Technical competences	The "understanding of (…) a specific kind of activity, particularly one involving methods, processes, procedures, or techniques" (Katz, 1955, p. 34), in addition to factual knowledge about the company (e.g. rules, management systems, structures) and its own and competitors' products and services (Yukl, 2002)
Conceptual competences	The ability to understand the interplay between organizational functions (Katz, 1955), including logical thinking, analytical ability, problem solving, concept formation, identification of ambiguous and complex relationships, and recognition of opportunities and challenges (Yukl, 2002)
Interpersonal competences	All skills that are "primarily concerned with working with people" (Katz, 1955, S. 34), encompassing clear and effective communication, knowledge about acceptable social behavior and interpersonal processes, and the ability to understand others (Yukl, 2002)

Table 1: Manager Competences

2.5.2. MD Processes

After discussing the competences required of managers, this section turns to the processes by which they can be developed in ICUs.

Successful MD processes have to be established with future job requirements in mind (Max et al., 2010; Parry, 1996). This often poses a challenge to ICUs as they cannot necessarily predict where their consultants will move to in the parent organization. Despite these uncertainties, all ICUs use some form of development processes to improve their consultant's abilities (Dekom, 1969). For example, 90% of ICUs have a formal training catalogue and about 65% use induction processes (Max et al., 2010).

A search of the ICU literature for a classification of development processes yielded one result: Max et al. (2010) distinguished 'into the job', 'on the job', 'near the job', 'off the job', and 'along the job' as development processes that take place in ICUs. Although this classification is detailed and specific to ICUs, it does not consider all development processes relevant to management development. On the contrary, it adds the separate category 'along the job' for this purpose, which is explained as development for a future career in the parent company but only

encompasses formal career plans and lacks further explanation (Max et al., 2010). In accordance with Yukl (2002), we take the stance that all types of development processes will presumably contribute to the improvement of management competences. Therefore, the model is not rendered useful to answer the research question.

As no additional information on development processes is found in the ICU literature, the research turns to MD literature to answer the question of which management development processes could occur in ICUs. The management development processes found in this literature are manifold and it is understood that there are differences in their respective use and effectiveness (Adams & Waddle, 2002; Goodge, 1998; Phillips & Phillips, 2001). However, little is known about *how* effective each process is and to which extent each is used (Adams & Waddle, 2002; Phillips & Phillips, 2001).

The literature offers numerous ways to categorize management development processes (Suutari & Viitala, 2008). A frequently cited and thus established categorization is Yukl's (2002), who classified processes according to how they are performed (e.g. Burnes, 2003; Suutari & Viitala, 2008). Table 2 briefly describes the various types before they are explained in detail.

Type	Description	Examples
Type 1: *Formal training*	Formal training "occurs during a defined time period, and is usually conducted away from the manager's immediate work site by training professionals" (Yukl, 2002, p. 370)	Lectures, workshops, seminars, university courses (Teaching methods: case studies, role plays, business games, discussions, etc.)
Type 2: *Developmental activities*	These activities "are usually embedded within operational job assignment or conducted in conjunction with those assignments" (Yukl, 2002, p. 370)	Job rotation, coaching, mentoring, special projects, challenging tasks, feedback, observing role models, shadowing, action learning, networking
Type 3: *Self-help activities*	"Self-help activities are carried out by individuals on their own." (Yukl, 2002, p. 371)	Interactive computer programs, films, literature review, asking experts

Table 2: MD Processes

Type 1: Formal training

Formal trainings are often specifically designed to develop particular skills in a short time frame and can be conducted in-house or externally (Suutari & Viitala, 2008). Nixon (1996) found that traditional formal education methods have numerous disadvantages. For example, these trainings are typically organized in a group setting so that the trainer not the trainee is in focus (Nixon, 1996). Moreover, formal trainings assume that there is a delimited "body of knowledge

and skill that needs to be taught and […] that everyone's needs in a group are essentially the same" (Nixon, 1996, p.15). Additionally, Rothwell and Kazanas stated that trainings usually focus on management competences needed in the current position rather than those needed for promotion (as cited in Yukl, 2002). Nevertheless, Suutari & Viitala (2008) discovered in their empirical study that formal training programs were the most widely used process.

Type 2: Developmental activities

On-the-job development activities are widely discussed in literature and can take on various forms (e.g. Cannon, 1995; Cook, 2006; Ready & Conger, 2007). They are often long-term oriented and focus on learning from experience (Suutari & Viitala, 2008). While Cannon (1995) argued that much of on-the-job learning happens by chance, scholars such as Yukl (2002) asserted that "the activities are planned to facilitate learning; it is not just a matter of random learning" (p. 370; see also Goodge, 1998; Haskins & Shaffer, 2009). In any case, the advantage of developmental activities lies in the simultaneous development of managers and achievement of organizational goals (Olian, Durham, Kristof, Brown, & Pierce, 1998). This simultaneous learning and application led to scholars arguing that on-the-job development is the most effective tool for development (Cook, 2006; Ready & Conger, 2007). Some prominent methods are discussed in detail.

Job rotation, has been shown to develop a number of critical skills and to help building a valuable network (Campion, Cheraskin, & Stevens, 1994; Suutari & Viitala, 2008, Yukl, 2002). Despite these benefits, job rotations also incorporate significant costs for the organization. Campion et al. (1994) found decreasing productivity and satisfaction among the non-rotators who faced additional work by supporting the "fast track managers" (p. 1537). Due to downsizing in many companies there are furthermore fewer available positions for job rotations (Yukl, 2002).

Another development method that is increasingly used is *mentorship* (Yukl, 2002). Mentors usually come from a higher management level, provide psychosocial advantages such as acceptance, and facilitate career development through, for example, sponsorship and visibility (Noe, 1991). Therefore, the method is often used for early career stages (Suutari & Viitala, 2008). The effects of mentoring are scarcely researched (Mullen & Noe, 1999).

Other learning methods that are considered effective by some researchers are systematic evaluations, action learning, and international assignments (Kur & Bunning, 2002; Reynolds & Vince, 2004; Suutari & Viitala, 2008). Nevertheless, Yukl (2002) contested that research "on the effectiveness of developmental assignments is still very limited" (p. 385) and finds little evidence of the effectiveness of systematic evaluations.

Type 3: Self-help activities

In times of decreasing development budgets and uncertain future job requirements (Vicere, 1998), self-development is increasingly emphasized (Dalakoura, 2010; Yukl, 2002). As reason for this, researchers mention the promotion of continuous and independent learning which leads to a better identification of one's own motivation and a better applicability to the individual work context (Dalakoura, 2010; Inkson & Arthur, 2001). Here, the individual is regarded as the owner of her own career (Suutari & Viitala, 2008).

The foregoing examination of development processes suggests that successful management development needs to encompass a variety of different learning processes. The effectiveness of these processes can be influenced by contextual factors that are addressed next.

2.5.3. Favorable and Limiting Characteristics of ICUs

Scholars in the MD literature, such as Yukl (2002) and Brown (2003), have already established that the organizational environment can greatly influence MD. However, both refer to broad organizational features, such as the organizational culture and senior management support, rather than examining department-specific characteristics as attempted in this study. Similarly, the ICU literature rarely mentions how ICU characteristics can influence the learning experience of its consultants. One exception is the project work mentioned by Werner (2000) and Grellmann et al. (2010) as positively influencing the acquisition of competences such as project management and broad knowledge about the organization.

2.5.4. Summary of Theoretical Framework

In order to study *how ICUs can effectively contribute to MD*, a theoretical framework was developed above and is summarized in Figure 2. Our framework consists of a categorization of management competences and a typology of MD processes as focal points at this stage. Only one ICU characteristic that can influence these factors could be identified so far.

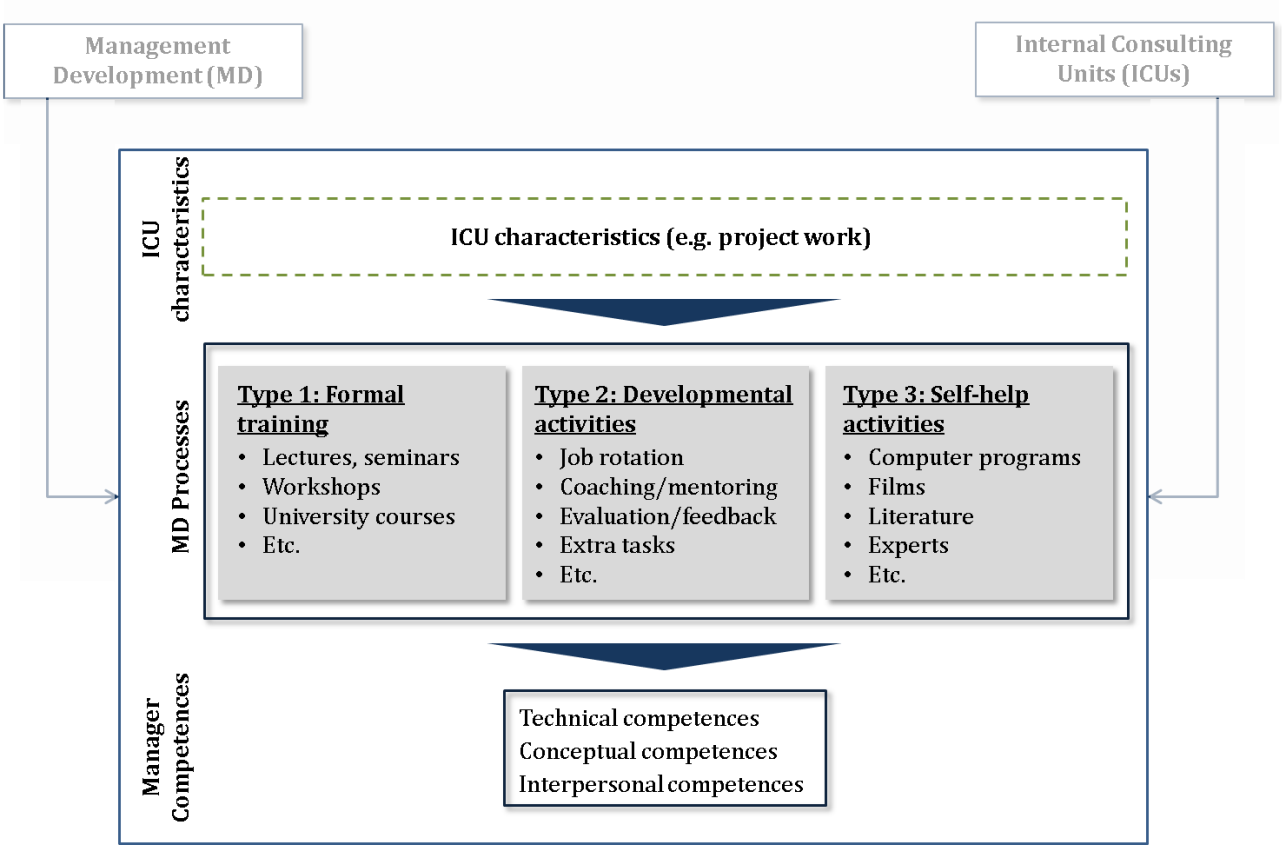

Figure 2: Theoretical Framework

The three competence categories that were identified serve as guide for the data collection and analysis while answering the first sub-question of *which competences consultants learn in the ICU that they perceive as relevant to their later manager role*. Similarly, the three types of MD processes guide and structure the study when the second sub-question of *how these competences are developed* is addressed. Nevertheless, the categories have to be tested against the empirical data and might consequently be altered. The characteristics that influence MD in ICUs have to be identified in the analysis of the empirical study that follows. A clear allocation of which competences are mainly developed through which MD processes was neglected due to the prevalent discordance in literature. The next chapter introduces the methodology of the case study that tests our framework.

3. Methodology

This chapter outlines the methodological choices for this research. It starts by explaining our research approach (3.1), encompassing an exploratory qualitative case study. Thereafter, it describes the case study, including its design and selection (3.2), before outlining data collection (3.3), data documentation (3.4) and data analysis (3.5). The chapter concludes with a brief discussion of the reliability and validity of the research (3.6).

3.1. Research Approach

In order to fit our research question of *how ICUs can effectively contribute to MD* and the state of current research, this thesis employs an exploratory, qualitative research approach by analyzing in-depth qualitative interviews. According to Stebbins (2001), an exploratory study approach is especially helpful when little is known about a certain research area, which is currently the case for MD in ICUs. This nascent state of the theory in this field furthermore supports the use of a qualitative study approach since "qualitative data are appropriate for studying phenomena that are not well understood" (Edmondson & McManus, 2007, p. 1155). Thereby, the use of qualitative interviews is seen as "a highly efficient way to gather rich, empirical data" (Eisenhardt & Graebner, 2007, p. 28).

While investigating our research question, we assume that there is an objective reality independent of the human consciousness that can be discovered (e.g. Fisher, 2010). Thus, we assume that "language is a mirror of objective reality" (Sandberg, 2005, p. 44), which means that we treat the data we collect in form of transcribed interviews as representation of the reality we seek to describe (Lacity & Janson, 1994). Despite striving for objectivity, we agree with Lacity and Janson (1994) that subjectivity cannot be fully eliminated in the interpretation of data. In addition, we acknowledge the possibility that interviewees' accounts might not perfectly reflect reality because interviewees could have forgotten details of events or might wish to present events in a certain light.

3.2. Case Study

In this research, a case study is used as the primary research method since it is considered to have the greatest methodological fit to the research goal. Firstly, case studies are seen as an appropriate method to support exploratory, qualitative research within a nascent field of theory such as ours (Yin, 2009). Secondly, the use of a case study allows investigating a "contemporary phenomenon in depth and within its real-life context" (Yin, 2009, p. 18; see also Eisenhardt & Graebner, 2007). Thirdly, data collection through a case study fits our research question because this is "the preferred method when […] "how" or "why" questions are being posed" (Yin, 2009, p. 2) due to the provision of rich and detailed data (Eisenhardt & Graebner, 2007). In the

following, we outline the case design and reasons for the case selection before introducing the case subject.

3.2.1. Case Study Design

Generally, one can distinguish between single and multiple case studies (e.g. Díaz Andrade, 2009; Yin, 2009). While it is argued that theory building from multiple cases is commonly more generalizable (Eisenhardt & Graebner, 2007), a single case study design was considered a more suitable methodological fit for this research. On the one hand, the use of a single case study can elude the difficult process of finding sufficiently comparable case objects (Yin, 2009). This is important because the literature review revealed that ICUs can assume a broad range of roles with a possibly high volatility (C. Niedereichholz, 2010). On the other hand, a single case study also allows for the creation of more complicated theories when "researchers can fit their theory exactly to the many details of a particular case" (Eisenhardt & Graebner 2007, p. 30). The persuasiveness of this research design is also underlined by Siggelkow (2007), who argues that even single case studies can contribute to an all-embracing understanding of a studied phenomenon.

3.2.2. Case Selection

The search for a suitable company for this study was based on four criteria. Firstly, we concentrated on companies with an official ICU. Companies with similar organizational units that fulfill comparable tasks, such as general staff units (Deelmann & Petmecky, 2005), were excluded for a better comparison with existing literature.

Secondly, we limited our search to companies in Germany, which was considered suitable since ICUs seem to be particularly present there (see Section 1.1.2). Moreover, a case study in Germany would allow for face-to-face interviews in German, the native language of both researchers.

Thirdly, we limited our search to companies that would provide a sufficiently large pool of potential interviewees. For this research, it was necessary to access an adequately sized sample[5] of former internal consultants who left the ICU and currently work in management positions. This prerequisite was gauged on information on number of consultants, years of existence of the ICU, and the average working period of internal consultants. Where this information was not publicly available, it was determined after initial contact with the ICU via telephone or email.

Lastly, we were especially interested in companies that consider management development as one task of their ICU.

[5] Guest, Bunce, and Johnson (2006) found that there is little research on saturation criteria for qualitative studies. Their literature review revealed numbers ranging from 5 to 36 interviews. In their own experiment, Guest et al. found that 90% of codes had been generated after 12 interviews were coded.

Of the companies that fulfill these criteria, one company was particularly interested in taking part in the study at hand.

3.2.3. Case Introduction

The studied company is an international company headquartered in Germany. For confidentiality reasons, the company is referred to as the Case Study Subject (CSS) and all data describing the organization and their ICU are anonymized.

The case subject is the ICU of CSS operating for over ten years with the partial goal of developing management talent. The age of the unit and the size of the parent company ensure that enough consultants have changed into management positions in the parent company to provide an appropriate sample size.

The CSS ICU belongs to the medium-sized ICUs, which employ between 16-75 internal consultants (Bayer Business Services, 2009). More detailed particularities of the study subject in relation the corresponding information found in literature can be found in Appendix 8.1.

3.3. Data Collection

In the following, we describe the interview sampling and the data collection through semi-structured interviews before outlining the setting of the conducted interviews.

3.3.1. Participant Sampling

For this study, a total of 22 interviews were conducted, which was considered sufficiently comprehensive in accordance with Bazeley (2013) and Guest, Bunce, and Johnson (2006)[5]. We decided to interview former internal consultants currently holding management positions because we agree with Mabey and Gooderham (2005) that "when it comes to reporting the experience of management development it is those managers participating in development activities who are the key informants" (p. 134). After being provided with a list of all former consultants, we contacted the consultants who were still employed within CSS.[6] This way, we sought to increase the likelihood of cooperation due to company affiliation and at the same time ensure a broad sampling so that "all the important aspects and variations of the studied phenomenon are captured in the sample" (Elliott & Timulak, 2005, p. 151). Twenty consultants agreed to an interview, meaning that 69% of possible participants are included in the study.

To obtain background information on MD in the ICU and the parent organization, interviews were also conducted with a representative of HR, responsible for talent development, and the

[6] Approximately 75% of internal consultants move into management positions within CSS. However, due to the ICU's long existence, some former internal consultants already retired or left to other companies after a few years.

head of the ICU. While an overview of all interviews can be found in Appendix 8.2, detailed information on the interviewees (e.g. regarding background and work experience) is presented in Section 4.1.

3.3.2. Semi-structured Interviews

To understand *how ICUs can contribute to MD*, the use of semi-structured interviews was considered the most suitable method because it is especially appropriate for exploratory, qualitative studies (Edmondson & McManus, 2007; Miles & Huberman, 1994; Saunders, Lewis, & Thornhill, 2009). According to these authors, the data gained from semi-structured interviews is helpful to understand the "what", "how", and "why". By posing open questions, deep insights into the perspectives of the interviewees can be gained (Saunders et al., 2009).

As basis for the interviews, we created an interview protocol that was divided into five parts (see Appendix 8.3). We began by focusing on the interviewee's career path before the ICU. Thereafter, we continued asking about the competences relevant to their subsequent management position that they gained in the ICU and about the processes through which these were developed. Thereafter, we concentrated on improvement potential of their development in the ICU and ended the interview with personal statistics. The interview protocol served as a guideline allowing a natural flow of the conversation. Thus, questions varied and probing questions were used depending on the interviewee's answers. This approach allowed us to continuously judge the data gained and to delve into other areas that seemed relevant to our research topic (Yin, 2009; Saunders et al., 2009).

3.3.3. Interview Setting

Of all 22 interviews, 12 were conducted face-to-face at the CSS headquarter in Germany between 19th and 21st February 2014. The remaining 10 interviews were conducted via telephone between 25th February and 13th March 2014 because time or geographical constraints inhibited the scheduling of personal interviews. All interviews lasted between 35 and 95 minutes and began with a brief introduction of ourselves, the study, and the confidentiality agreement we signed with the company.

As suggested by Eisenhardt (1989), both researchers were present at every interview in order to avoid different interpretations of the interview content. All interviews were held in German because this is both the interviewees' and interviewers' native language.

3.4. Data Documentation

With the interviewees' permission, all interviews were recorded with the recording function of a mobile phone. In addition, notes were taken during the interviews and complemented with the

recorded information right after the interview. This means that all records were listened to at least one more time, which Bazeley (2013) considers helpful for "building intimate knowledge of your data" (p. 73). Moreover, we discussed all interviews within 24 hours in order to ensure the preservation of our impressions. Since there is no single appropriate way of transcribing interviews (Silverman, 2010), we tried to "be as true to the conversation as possible, yet pragmatic in dealing with the data" (Bazeley, 2013, p. 73) by transcribing the interviews in bullet point format using the interviewees' words but omitting words that did not further the understanding of the answer. All transcripts were written in German.

3.5. Data Analysis

Even though we acknowledge that data collection and data analysis partly overlap when researching with the help of semi-structured interviews (Edmondson & McManus, 2007), the main part of the analysis was performed with the help of coding and thematic analysis, based on the interview transcripts. This research method is considered especially helpful when dealing with rich and detailed data and can "be a particularly useful method when you are investigating an under-researched area, or with participants whose views on the topic are not known" (Braun & Clarke, 2006, p. 11), as in our case.

In academia, the relationship between coding and thematic analysis is not always clear and thematic analysis is at times understood as an alternative method to coding. "The consensus among those who seek to interpret, analyze, and theorize qualitative data, however, is that the development of themes depends on data having been coded already" (Bazeley, 2013, p. 191). Therefore, even though Braun and Clarke (2006) consider thematic analysis as "a method in its own right" (p. 4), we assume the perspective of Saldaña (2009) and Bazeley (2013) and understand theme building as a step between coding and theory building (see Figure 3).

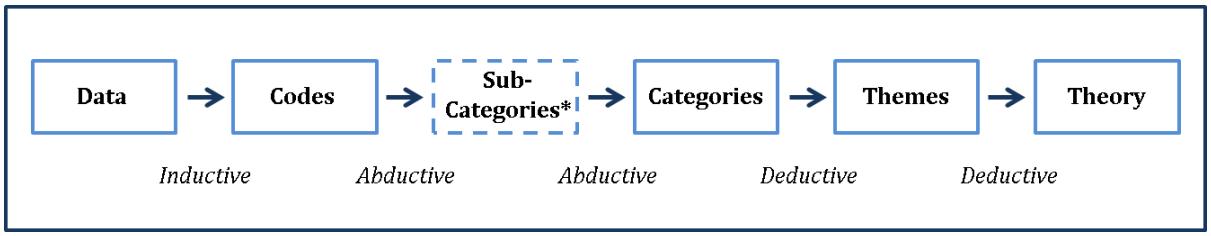

Figure 3: Data Analysis Process, partly based on Saldaña, 2009, p. 12
**) Sub-categories only for competences*

As shown in Figure 3, we applied inductive, abductive, and deductive approaches in our analysis. During the **coding** phase an inductive approach was used, meaning that we coded recurring topics purely data-driven and did not relate them to theory (Braun & Clarke, 2006). Thereby, we applied a semantic approach by explicitly coding what has been said opposed to what could have

been meant (Braun & Clarke, 2006). When applicable, certain passages or meaning units were labelled with multiple codes which helped at a later stage to show relationships between codes and contents. As suggested by Miles and Huberman (1994), both researchers coded individually and compared their results afterwards. When deviations occurred, reasons for these disagreements were elaborated and codes consequently adjusted.

Subsequently, similar codes were condensed to **categories** which can also be understood as overarching code groups that show first relationships of data (Bazeley, 2013). Thereby, an abductive approach was applied which allowed us to move "between induction and deduction while practicing the constant comparative method" (Suddaby, 2006, p. 639). This was achieved by using our theoretical framework as basis for categorization while also creating new, emerging categories. Due to the wealth of information on various levels of detail, the codes belonging to the theme of manager competences were clustered into sub-categories first, before these were grouped into categories. At times, interviewees made broad statements about clusters of competences, so that the code label equaled the sub-category or category label.

At a next stage, a deductive approach was applied when sorting the categories into **themes,** connecting them fully to our theoretical framework and testing them against earlier assumptions and hypothesis made by academia. Thus, the generation of themes was rather "analyst-driven" (Braun & Clarke, 2006, p. 12). The identified themes were continuously reviewed by both researchers and challenged in respect to their fit with the theoretical framework as well their proximity to the actual statements of the interviewees in order to avoid bias. Figure 4 gives two examples of the data analysis process while a more comprehensive list of all relevant themes and examples for their development can be found in Appendix 8.4.

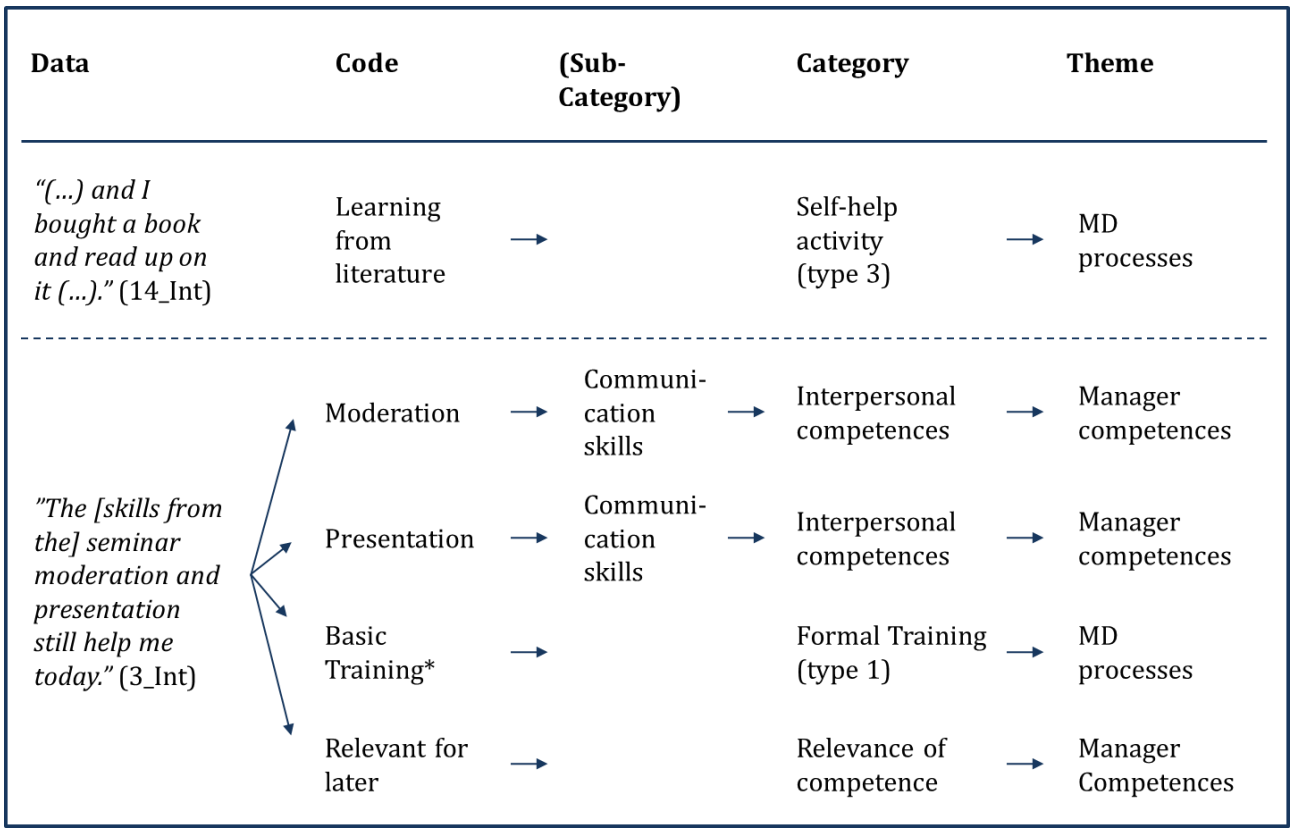

Figure 4: Examples for Data Analysis Process

**) Information based on training catalogue that was provided*

3.6. Quality Considerations

In the following, we focus on the quality aspects of our research method by describing the reliability and validity of our study.

3.6.1. Reliability

Reliability describes the extent to which the findings of a study can be replicated by other researchers in the future. The main goal of reliability is therefore to minimize biases in the research (Yin, 2009).

A primary threat to reliability is the biased interpretation of data that could be interpreted differently if the study was repeated by other researchers (Silverman, 2010). As suggested by Bazeley (2013), we were both present in all interviews, discussed the content afterwards, and coded our data individually. In the case of disagreements, we discussed those and tried to find reasons for the variations. This way, we could ensure clear definitions of our codes, categories and themes. Furthermore, we documented and explained all our process steps thoroughly with the help of Excel to make our interpretations transparent for future research (Yin, 2009).

Despite all precautions taken to increase reliability, we acknowledge that a certain "bias is an unavoidable part of the process" (Elliott & Timulak, 2005, p. 148). This is caused by the fact that our research reflects reality at a certain point in time which might change (Marshall & Rossman, 1989).

3.6.2. Validity

According to Yin (2009) validity particularly poses a threat to exploratory case studies and can be segmented into internal and external validity. The internal validity of a study refers to the extent to which a study reflects reality and does not merely present "a few well-chosen 'examples'" (Silverman, 2010, p. 276). As suggested by Eisenhardt and Graebner (2007) we achieved increased validity by interviewing a broad sample of former internal consultants with various backgrounds and different years of management experience (see Section 4.1 for detailed interviewee information). Furthermore, by coding our data in a coherent way and by comparing individually coded data, we ensured to include all statements (Bazeley, 2013). This allowed us to underline the presented empirics with the frequency in which topics were mentioned.

External validity encompasses the generalizability of a study (Yin, 2009). In terms of, for example, number of employees, average age of the consultants and educational background our case study subject matches a typical German medium-sized ICU (Bayer Business Services, 2009; Galal et al., 2010). As suggested by literature (e.g. Bayer Business Services, 2009; Max et al., 2010), the internal consultants at CSS are both recruited from inside and outside the company, work on various changing projects, and usually leave the ICU after approximately three years. Therefore, it can be assumed that our findings are best generalizable to mid-sized ICUs in Germany. Due to the scarce research on ICUs, it is not possible to evaluate which ICU size category appears most often in Germany and thus might be representative for the whole market. Even the consultation of an expert in this field, Ansgar Richter[7] (personal communication, April 21, 2014), did not bring new insights in this regard.

[7] Ansgar Richter, professor at EBS Business School in Oestrich-Winkel, Germany, was involved in a study by Bayer Business Services (2009). Together with Alexander Moscho he edited the book "Inhouse-Consulting in Deutschland", one of the latest comprehensive works on ICUs in Germany.

4. Findings

The following chapter elaborates on the findings of this study and intersects empirical data with paragraphs of analysis for a facilitated understanding. After a brief introduction of the interviewees (4.1) the first sub-question of which competences consultants learn in the ICU that they perceive as relevant to their later manager role is addressed (4.2). Thereafter, the focus lies on the MD processes found in the ICU, thus addressing the second sub-question of how these competences are developed (4.3). The presentation and analysis of the two sub-questions reveal ICU characteristics that favor or limit the development of manager competences through MD processes and thus provide answers to our main research question of how ICUs can effectively contribute to MD. All questions will be summarized in the last chapter of this section leading to initial adjustments to the theoretical framework (4.4).

4.1. Introduction of Interviewees

To gain a better understanding of our research subjects, the first section introduces the 20 former internal consultants who are the focus of this analysis and referred to as "interviewees" in the following.[8] Table 3 shows that our interviewees possess different backgrounds and entered the ICU at different times in their career.

Former ICU consultants (Total 20)	
# of consultants	3 women (15%) 17 men (85%)
Internal / external hiring	External: 15 (75%) Internal: 5 (25%)
Background education	8 pure business background 7 pure science background 5 both business and science background 14 with PhD
Background work experience before ICU	9 with consulting experience 5 with industry experience 6 with both consulting and industry experience
Average years of work experience before ICU	5 years (0-10 years)
Average stay in ICU	2,6 years (0,8-7,8 years)
Average age when leaving ICU	36 years (31-44 years)
Average no. of years since leaving ICU	4,7 years (0,6-12,5 years)

Table 3: Introduction of Interviewees

[8] The interviews conducted with an HR representative and the head of the ICU served the purpose of understanding the CSS and the ICU as well as their MD strategies better and are therefore not included here.

All our interviewees left the ICU into either line or staff positions with management responsibilities. The following sections illuminate their development into these positions.

4.2. MD Outcomes

This section aims at addressing our first sub-question and investigates the competences that interviewees gained in the ICU for their future management positions. To that end, we asked the interviewees which of the gained competences they considered especially relevant for their later manager roles, but also which competences were lacking in their position after the ICU. These competences were coded individually before being condensed into the sub-categories and categories presented in this section. Specific competences that were mentioned by only one individual were not included in the findings because their generalizability could not be justified. We found competences belonging to all three categories of our theoretical framework, but interviewees also emphasized leadership competences as separate category. Furthermore, interviewees related additional advantages, namely the network they built and the assimilation they experienced, to their relevant learning in the ICU.

Table 4 gives an overview of these categories and the most mentioned sub-categories. Thereby, the level at which the sub-categories were formed was chosen to be practical and comprehensive. The order of the presented categories is ascribed to the number of interviewees who mentioned them and thus deviates from the theoretical framework.

Category	# Naming	Sub-category	# Naming
Competences			
Interpersonal competences *Skills connected to working with people*	17	Social interaction Political skills Communication skills	8 5 5
Technical competences *Factual knowledge, methods, processes*	16	Factual knowledge about the organization Project management as a method Factual knowledge about the industry	13 9 5
Conceptual competences *Conceptualization , analytical ability*	12	Structured work approach Application of tools	7 4
Leadership competences	(14)	Lateral leadership	7
Additional advantages			
Network	19	Network	19
Assimilation	12	Understanding the culture Re-socialization	9 6

Table 4: MD Learning Outcomes in CSS ICU

4.2.1. Empirics: MD Outcomes

Learned competences

Interpersonal competences

Seventeen interviewees perceived the interpersonal competences they learned important for their management positions. Social interaction, political skills, and communication skills were thereby stated most frequently.

Eight people indicated that the knowledge regarding appropriate social interaction they gained in the ICU was especially beneficial. Amongst others, social interaction includes knowing how to deal with people in the organization and how to operate in one's network.

> *"Before, I was rather working in start-ups and smaller business units; there the way of collaborating is quite different than here in such a large, traditional German (…) company."* (2_Int[9])

> *"[You learn to] strike the right chord in a 1-to-1 conversation with your colleagues (…)."* (5_Int)

Besides social interaction, five interviewees considered political skills a relevant component of their management development. This skill contains both the understanding of how decisions are made and the use of this knowledge to achieve one's own goals.

> *"There are many stakeholders with different interests and you learn to juggle and reconcile them."* (15_Int)

> *"We are often more able to employ the next hierarchy level [than managers who did not enter CSS through the ICU] (…) to achieve certain things or to implement them. Keyword: ‚borrowed power'."* (2_Int)

Lastly, five interviewees stated that the communication skills gained as an internal consultant were beneficial for the subsequent manager position. Amongst others, communication skills encompass presentation skills, moderation skills and diplomacy.

> *„The [skills from the] seminar moderation and presentation still help me today."* (3_Int)

[9] Interviewees are abbreviated as '<no.>_Int', where numbers were assigned randomly to interviewees as shown in Appendix 8.2

Technical competences

Competences that fall into this category were mentioned by 16 interviewees. Here, factual knowledge about the organization and the industry as well as project management were stated most frequently.

Out of all 20 interviewees, 13 asserted that the ICU helped them gain factual knowledge about the organization which they considered especially helpful for their later management positions. According to the interviewees, this competence included knowledge about organizational structures, processes, products, and business models.

> *"Through the time in [CSS ICU] you understand the structures of the organization; that means you also understand how the decision-making processes function and the individual cogwheels within the organization interact."* (6_Int)

The perceived importance of this knowledge was frequently underlined and it was at times seen as "*more important than formal methods*" (1_Int).

The second relevant competence in this category was project management (9)[10]. Project management as a method falls under the category of technical competences and encompasses skills connected to setting up a project, tracking milestones, or leading sub-projects. Nonetheless, it is a broad skill and might necessitate the mastery of other, especially conceptual, competences.

Of the nine interviewees referring to project management, five regarded this skill as newly acquired in the ICU.

> *"There are of course three areas that are extremely important. (…) The second is (…) how do I set up a project? What do I have to do? Which things do I need to pay attention to?"* (5_Int)

The other four interviewees rather considered project management as being refreshed in the ICU.

> *"I did one project management training. (…) I will put it this way: Training always helps, even when you actually already know what is being said."* (4_Int)

[10] The numbers in brackets depict the number of interviewees who mentioned this aspect.

The third most frequently mentioned competence within this category was factual knowledge about the industry (5), including general knowledge about the industry and specific knowledge about the respective regulations and particularities.

> *"There are of course three areas that are extremely important. One thing is the hard facts of the business. How does it work? (…) Which regulations are there?"* (5_Int)

> *"[You gain] industry experience (…)."* (13_Int)

Conceptual competences

Conceptual competences were mentioned by 12 interviewees, whereby a structured work approach and the application of tools were stated most frequently.

Of all interviewees, seven stated that learning a structured work approach was especially relevant for their later management positions. Amongst others, this competence includes a top-down-approach to project work, an analytical perspective on problems, and a structured documentation of work steps.

> *"What I definitely learned was to approach tasks systematically and process-driven, meaning to approach problems analytically."* (15_Int)

Lastly, the accurate application of analytical tools, including process mapping, ABC analysis, the pyramid principle, and benchmarking, was mentioned as another important conceptual learning (4). Here, the benefit lies less in knowing the tool and more in learning to think analytically and logically with their help.

> *„Pyramid principle is again a very important training. (…) [You learn] structured thinking and presenting, (…). These are critically important and that is really missing in the organization."* (3_Int)

> *"I learned some tools, starting with classical things such as a RACI-matrix [and] process-mapping."* (2_Int)

Regarding the application of these tools, however, there were other interviewees who explicitly stated that they did not learn anything new in the ICU because of their prior experiences.

> *"If it is about tools or similar things, you don't take away anything; instead, it is rather that you (…) – based on your expertise – were supposed to strengthen the team."* (17_Int)

Leadership competences

The answers from our interviewees clearly showed that they considered leadership as competence category separate from the others. In this category, they included skills such as recruiting, mentoring, and self-responsibility that went beyond interpersonal or conceptual competences.

Fourteen individuals mentioned that they learned relevant skills within this category. Lateral leadership was stated by seven individuals, who understood it as leading a team without official authority and as taking on an indirect leadership role.

> *"The situation you are in of leading without the disciplinary responsibility is trained very intensively; that means you are often in the role of a project leader even though this is not your official title. (…) There were projects in which I was the de-facto leader."* (16_Int)

Missing competences

Apart from the acquired competences, the interviewees also emphasized two competences that were not sufficiently developed in the ICU but highly relevant for their following manager positions: direct leadership and specific technical knowledge.

Leadership competences

Eleven interviewees maintained that, within the leadership competence category introduced above, they were lacking skills such as delegating, motivating, decision making, being a role model, framing problems, and talent development.

> *"In terms of preparation for the line the [CSS ICU] lacks leadership responsibility and non-project-related leadership, that means personnel responsibility: motivation, talent development, recruiting, teaching people, structuring the teams so that everyone knows what to do."* (20_Int)

> *„I now have a classic line management position and ‚achieving results through others' [requires] a very different skill set (…). That is (…) what you definitely did not learn in [CSS ICU]."* (12_Int)

Four interviewees asserted that these leadership competences could not be developed in the ICU because this needed actual experience. The lacking opportunity for leadership experience was at times connected to the lack of hierarchy in the unit.

> *"Since you don't have a hierarchy in [CSS ICU], you don't have personnel responsibility either (…), that was something I had to learn here (...) but I would not know how you could have learned it in the [CSS ICU]."* (10_Int)

Nonetheless, other interviewees provided suggestions on how leadership could, at least partly, be developed in ICUs. These suggestions included internal structures, taking responsibilities for interns, leadership in internal projects, trainings, giving the project leadership to the ICU instead of the client, and using consultants as interim managers in the parent company.

> *"One could of course do this through internal structures (…), meaning that within [CSS ICU] someone has leadership responsibility for others."* (20_Int)

Technical competences

The second skill that was not perceived as sufficiently developed belongs to the technical competence category. Here, six interviewees explicitly missed specific technical knowledge about the business area they later worked in. At the same time, most interviewees thought it was not possible to teach this knowledge in the ICU. Only one suggested that consultants should increase the number of operative projects compared to strategic projects to gain this knowledge (6_Int). However, according to another interviewee, this might not always be possible because it depended on the availability of projects (16_Int).

> *„It would have certainly been helpful to work on supply-chain projects during my time in [CSS ICU] (…). It would help [for your management position] if you know how this is done in different units."* (16_Int[11])

> *"I of course did not learn the content specific knowledge for my current job. But that's hard to learn there."* (15_Int)

Additional advantages

Apart from the learned competences, interviewees mentioned additional advantages of their time in the ICU that helped them in their later management functions. Two repeatedly mentioned categories were the network they gained, and the assimilation they experienced.

Network

Nineteen interviewees mentioned the network they acquired on different levels as relevant take away from their time in the ICU. This advantage could not be classified as competence since the interviewees' answers made clear that they did not learn how to build a network, but that the

[11] This former consultant moved into a management position in the logistics function of one of the CSS business units.

network is naturally built up due to the project work, regardless of the skill level of the individual. Interviewees valued the relations they could establish to top management, decision makers in the business units, experts, future colleagues, and the ICU itself.

> *"The advantage is certainly that in the consultant function you get in contact with the decision makers relatively quickly. Something that someone from outside (...) cannot achieve, there you are relatively restricted in your contact area regarding the hierarchy to the top but also regarding breadth (...)."* (7_Int)

Three consultants saw this network as the most valuable advantage of their time in the ICU and five implied this by mentioning that they possessed the competences needed for their management position before entering the ICU but would have missed the network.

> *"Could I have taken the position, purely functionally, without [CSS ICU]? Certainly, but the component that would have surely been missing would be (...) the network (…)."* (13_Int)

Three consultants explicitly connected the advantage of the network to the visibility they gained through it. This is supported by the fact that all consultants got their position after the ICU through the network they had built, and some clearly stated that it would not have been possible for them to get the job otherwise.

> *"At least in [my] unit, there are in the current situation hardly other entry possibilities for young professionals (...)."* (5_Int)

> *"The internal network that you built through [CSS ICU] helped to get the job, so to know about it promptly and to be taken into consideration in the application process."* (16_Int)

Assimilation

Twelve interviewees experienced that the understanding of and smooth adaptation to the organization's way of working was a valuable outcome of their time in the ICU. This is closely related to competences such as gaining knowledge about the organization, but is distinct from it in that it describes a tacit knowledge or feeling rather than tangible, factual knowledge.

Nine interviewees emphasized the understanding of the culture and interrelationships in CSS that they gained in the ICU.

> *"That is quite a healing process for some consultants because you understand the organization, meaning how it functions, (...) [how] projects and processes are designed and how the management is wired."* (13_Int)

> *"You get to know the culture of the organization, the way of working. You learn, relatively painfully, that you cannot work as before*." (4_Int)

For six of the interviewees, especially those who joined the ICU from external consultancies, the time in the ICU was experienced as a re-socialization process necessary to adapt to a largely different working environment. Two had to adjust their pace of working, another had to get used to being constrained by processes and structures. Others had to adjust from a focus on short-term goals towards long-term consequences.

> *"The first thing I learned was to slow down, which was very important for me, coming from an external consultancy. (…) So, for example, I set some deadlines way too tight. (…) I had unrealistic expectations in the beginning and ran against a wall. And then, the second time you do something, you know where the wall stands."* (19_Int)

4.2.2. Analysis: MD Outcomes

In this section, the preceding empirics are analyzed in regard to the first sub-question of *which competences consultants learn in the ICU that they perceive as relevant to their later manager role.* While all three competence categories from the theoretical framework (interpersonal, technical, and conceptual competences) were found, another category was discovered (leadership competences), missing competences were identified (direct leadership and specific technical knowledge) and additional advantages (network and assimilation) were revealed. By investigating why certain competences were perceived as relevant or irrelevant by the interviewees, it is at times possible to unearth ICU characteristics, such as the consultants' backgrounds, that indicate answers to our main research question. However, as competences are often indirectly influenced by ICU characteristics through the MD processes that develop them (as shown in the theoretical framework), more characteristics are discovered in Section 4.3.

Learned Competences

Of all competence categories, **interpersonal competences** were mentioned by most interviewees (17) and seemed to be of high relevance to manager roles. Social interaction skills were emphasized most frequently in this category (8) independent of the interviewees' professional or educational backgrounds. This might imply that interviewees referred to the organization-specific (situational) aspects of this competence. Political or communication skills,

on the other hand, were rarely listed by interviewees with external consulting experience (2 of 15), which could imply that these competences are taught in external consultancies to a sufficient extent and are transferable to other contexts (universal). Since we could not find any indication that this pre-knowledge was also possessed by interviewees with industry knowledge, it could be inferred that the characteristic project work of the ICU is especially suited to develop these skills.

Similar to interpersonal competences, the acquired **technical competences** were considered beneficial for the interviewees' later management positions by many (16). Three interviewees not mentioning this category had already worked on projects for CSS in their time as external consultants. They might have gained factual knowledge about company and industry through these projects and project management skills through their general consulting experience. This last conclusion can be supported by the fact that interviewees who stated project management as relevant learning considered it as refreshed if they had prior external consulting experience, while the majority of interviewees with other backgrounds learned it from scratch. Only one former external consultant stated that he learned new skills in the area. What is of interest as well is that even interviewees with former work experience within CSS considered it especially relevant to gain factual knowledge about the organization. The relevance of this knowledge as most frequently mentioned competence across all sub-categories (13) highlights the importance of situational (organization-specific) competences that are not necessarily transferable to different contexts.

Background-related differences in the perceived importance of competences were furthermore highlighted by the answers concerning **conceptual competences**, which were discussed by 12 interviewees. Two of three former external consultants mentioning 'structured work approach' experienced this sub-category as enhanced, while all interviewees with other backgrounds learned it as new skill. The fact that seven of the eight interviewees not bringing up this category at all were former external consultants reinforces the assumption that this group of interviewees already gained conceptual competences prior to entering the ICU.

During the coding process, a new competence category emerged that was labelled by the interviewees as **leadership competences** and included skills such as delegating, recruiting, lateral leadership, and talent development that are needed for management tasks. Revisiting the sources of our theoretical framework reveals that Katz (1955) and Yukl (2002) seem to assume that leadership competences as listed here can be classified into the other competence categories and that a fourth category is not needed. While we agree that there are overlaps between skills, we refer to Katz' observation that even the three original competence categories are not perfectly distinct from each other. He further asserts that "just because the skills are

interrelated does not imply that we cannot get some value from looking at them separately or by varying their emphasis" (p. 37). Along this line, we found that interviewees see value in distinguishing leadership competences as additional category. Thus, we extend our competence categorization with leadership competences, defined as achieving set goals through others.

Missing competences

Apart from lateral leadership skills (7), it became apparent that other **leadership competences** are seemingly not trained in the ICU. This could affect the consultants' ability to perform well on their management position. The cause for this drawback might lie in two characteristics of the CSS ICU, namely that project leadership is mostly in clients' hands and that it lacks a hierarchical structure. This limitation of the development in the ICU seems to be difficult to overcome according to the interviewees. However, their improvement suggestions imply that there might be ways to train aspects of leadership in the ICU. Nevertheless, those proposals that affect ICU characteristics need to take into account the function that these characteristics play in the ICU's work. For example, the proposal to give project leadership to consultants would help them develop leadership skills, but would defy the purpose of keeping business responsibility in clients' hands.

Even though many interviewees gained considerable knowledge about the organization in the ICU, some needed more **specific technical knowledge** of one area for their future management role. However, most interviewees acknowledged that ICUs are not able to develop specialists due to the variability in their project work. Thus, in order to develop specialized technical knowledge, first, consultants would need to know their future positions or at least their areas of interest in the company, and second, the ICU would have to receive project requests in that area.

Additional advantages

Apart from competences, the advantages of gaining a network and being assimilated into the structures of a large organization seem to have played an important role in the preparation of our interviewees for their manager roles.

Even for a former CSS employee, the **network** was beneficial, which indicates that one does not have the possibility to meet as many (relevant) people when working in other departments. The wide network that the consultants gained due to the ICU's embedment in the parent organization was not only valuable in their manager role, but also essential in getting this job in the first place. This can be explained in light of the theory of bounded rationality which contrasts the rational model of decision making by taking into account limitations of resources and human capabilities (Simon, 1972). Due to bounded rationality, people take shortcuts to make decisions. In this case,

decision makers might be prone to the availability bias where they only consider candidates that are readily available in their memory (Bazerman & Moore, 2009).

The advantage that the network provides for finding the job is complemented by the easy transition into the job through the **assimilation** process that happens in the ICU. In this environment new internal consultants can gradually become acquainted with the culture and informal ways of working in the organization. They have the room to experiment and make mistakes that might have less severe consequences than in a position with more business responsibility because most projects are led by an experienced manager. This seemed especially relevant to former external consultants, who needed to adapt their pace of working and adopt a more long-term perspective. The possibility to continue the type of work they were skilled in left them room to pay attention to the organization-specific working culture. If they would have entered directly into management positions, the new tasks might have needed too much attention to allow smooth assimilation. The emergence of this advantage, in addition to the very important technical sub-category factual knowledge about the organization, underlines again the high relevance of situational competences.

Due to the perceived importance of these additional advantages, our initial assumption that the outcomes of MD processes can be captured in a categorization of management competences has shown to be incomplete. To fully comprehend MD in ICUs, these additional advantages need to be taken into account in the theoretical framework. Furthermore, ICU characteristics such as the consultants' backgrounds, the particularities of project work, the lack of hierarchy, and the embedment in the organization have shown to influence the development of competences and need to be examined further.

4.3. MD Processes

After having identified the MD outcomes, the focus now lies on the second sub-question of *how these are developed*. This section starts by looking at the overall development before delving into each MD process.

At CSS ICU, consultants are supposed to stay for about two years before they move into various areas of the firm. During these two years, consultants are encouraged to work in different areas of the firm and with a variety of people to maximize learning. However, there is no systematic development, which was mentioned by eight of the interviewees.[12]

Despite reporting the lack of a formal structure, the majority of all interviewees stated that they felt well-prepared by the ICU for their manager job. This discrepancy can be resolved by

[12] The head of the CSS ICU highlighted that the development was intentionally unstructured to provide flexibility.

examining the single MD processes and their respective effectiveness as perceived by the developed. Table 5 summarizes the three MD processes with their respective sources of learning. The order of the presented categories is ascribed to their frequency of being mentioned as effective and thus deviates from the theoretical framework.

MD process	# stated effectiveness	Learning source	# stated effectiveness
Developmental activities (type 2) *Embedded within operational job assignment*	20	Learning from projects Learning from colleagues Learning from clients Learning from extra tasks	15 15 8 5
Formal training (type 1) *Usually conducted away from the individual's immediate work site*	9	(only selected trainings)	9
Self-help activities (type 3) *Carried out by individuals on their own*	(8)	Learning from literature Learning from experts	5 2

Table 5: MD Processes at CSS

4.3.1. Empirics: MD Processes

Developmental activities (type 2)

All consultants emphasized developmental on-the-job activities as a relevant MD process in the ICU. Ten consultants considered this development process most important since *"most learning happens on the job"* (9_Int). Due to the manifold statements and the absence of methods as depicted in the theoretical model, we divided on-the-job learning based on the source of the learning experience. In the following we will present the most frequently mentioned sources:

1) Learning from projects: learning by doing (15 interviewees)
2) Learning from colleagues: observations, discussions, etc. (15 interviewees)
3) Learning from clients: observations, discussions, etc. (8 interviewees)
4) Learning from extra tasks: mentoring, training others, etc. (5 interviewees)

<u>1) Learning from projects</u>

According to 15 interviewees, the major source for their learning experience was their work and individual tasks. Working on varying projects was the primary source for network building. Moreover, technical and conceptual competences were gained this way.

> *"You learn a lot through the actual work. (…) That means, a lot of learning-by-doing actually."* (19_Int)

The major benefit of this MD process is the direct application of the learning.

> *"That's like practicing swimming on land (…)"* (6_Int)

> *"I think the most important prerequisite is that you can actually apply what you learned in theory. Otherwise you have forgotten everything within three weeks."* (5_Int)

2) Learning from colleagues

Next to the work itself, colleagues were the most frequently mentioned source of on-the-job learning (15). The competences acquired through this process were conceptual skills (6), technical skills (4) and interpersonal skills (2). Thereby, two respondents explicitly underlined that they primarily learned from colleagues with an external consulting background, especially in terms of different work approaches and analytical tools.

> *"They all came from different consultancies and had different approaches. And it was quite interesting to swap ideas. (…) I took less away from colleagues that had been at [CSS ICU] for a longer time and came out of line positions."* (17_Int)

The mix of backgrounds and seniorities in the ICU was especially valued by four interviewees.

> *"In fact, this is designed intelligently because you have a mix of experienced former consultants that you can partner up with juniors. Then you have a good mix of seniority and thus, people teach each other and that is a very strong element."* (9_Int)

Thereby, more senior colleagues may act as role model or inspiration.

> *"It is very important that you see how it works correctly. So, I was very lucky that I worked with very good consultants that possessed skills where I thought `wow, I also want to be able to do that`"* (5_Int)

3) Learning from clients

The third on-the-job learning source was clients, which was stated by eight interviewees. Thereof, four claimed to have gained further knowledge about the organization through collaborating with different clients on different projects.

> *"You encounter many competent contact persons [in the organization], and if you act smartly, you can take away a little bit from everyone."* (19_Int)

Another person pointed out that he learned more conceptual skills from clients, for example, that *"decisions are never made fully informed"* (1_Int). However, one respondent emphasized that he did not take away anything from his clients because they were *"too unstructured"* (15_Int).

4) Learning from extra tasks

Lastly, five people revealed that development took place through stretching extra tasks they performed next to their daily consulting work. The skills gained through extra tasks by the interviewees fall under interpersonal (1), leadership (2), and technical competences, where three consultants stated that they valued strengthening their project management knowledge while delivering training on the topic.

In total, four interviewees performed trainer roles in formal trainings and considered this very enriching.

> *"The one thing that I really learned and that you benefit from in your daily job, [is that] at [CSS ICU] we also organized trainings for other functional areas within [CSS] (…). By training others you learn a lot regarding communication and how to lead such a group (…)."* (14_Int)

Two other interviewees emphasized their engagement as mentors for interns or involvement in the recruiting process as beneficial learning experiences.

> *"I was involved in the recruiting processes (…). There we looked at applicants, screened their CV's (…). That always helps. It is exciting to conduct job interviews, which I also need to do now (…)."* (10_Int)

Formal training (type 1)

At CSS, the formal training program for consultants is divided into three different components that are aimed at developing consulting skills (basic training, advanced training, individual training). However, it was found that a number of interviewees considered the competences acquired through the formal trainings relevant for their manager positions as well.

Basic and advanced training takes place 2-3 times per year, lasts between 2-3 days and is organized on- or off-site. For some training, internal consultants serve as trainers because they possess expertise in a certain field. In department meetings it is infrequently decided which training is necessary and which part of the ICU is attending it.

In terms of the perceived relevance, 9 of the 19 interviewees who completed some kind of formal training emphasized that they found specific trainings useful for their management functions. Examples for relevant trainings were those conveying moderation, presentation, project management, or conflict management skills.

> *"What was absolutely of use was the training regarding project management (…)."* (8_Int)

The remaining 10 interviewees reported that they did not perceive formal training beneficial in their management development. As would be expected, one consultant explicitly stated that the training content did not prepare for the following management position but was rather important for the consulting practice itself (15_Int). In other cases the irrelevance was also attributed to previous knowledge of the topic, bad quality of the training, or unfavorable composition of the participant group.

> *"In general, I have to say that those [trainings] were more basic trainings that were rather refreshing than enriching."* (19_Int)

> *"The team constellation was in some cases not adequate. [There are] colleagues that have (…) little consulting experience and you yourself have 5 or 6 years of experience; you just have other needs in such a training."* (12_Int)

Self-help activities (type 3)

In total, eight interviewees mentioned that they engaged in some kind of self-help activity whereby learning from literature (5) and learning from experts (2) were mentioned most frequently.

> *"[On] the topic of corporate venturing (…) I had the feeling that I needed to learn quite a lot before I could really work with it. (…) Basically [I learned it] by talking to some ex-colleagues that I still knew from my times at [external consultancy] who then worked at venture-capital companies. And I bought a book and read up on it (…)."* (14_Int)

Interviewees also reported actively asking for feedback and independently acquiring projects in order to develop missing skills.

> *"I was given the first project (…) all others I acquired myself."* (9_Int)

The competences that were most connected to self-help activities were technical competences, namely knowledge about organization and industry.

> *"In my opinion, to read about it [technical facts about the company and industry] and learn it is a task that you have yourself."* (5_Int)

However, it seemed to be difficult for the interviewees to identify skills gained through this MD method that were helpful for the later manager position. Thus, we could not clarify which role self-help activities played in the MD process. Only one person indicated its irrelevance by claiming that all independently learned technical knowledge was not helpful for the later manager position but rather for the next project (17_Int).

4.3.2. Analysis: MD Processes

Addressing the second sub-question of *how competences (and additional advantages) were developed*, we identified that all three MD processes as outlined in the theoretical framework were effective for developing managers in the ICU but to different extents. Analyzing the reasons behind the relevance of each process in depth, we again find partial answers to our main research question by identifying limiting and favorable ICU characteristics.

In light of the fact that MD is an official goal of the ICU at CSS, it seems interesting that apparently no formal development planning exists. However, the success of the management development, as perceived by the interviewees, suggests that there are other processes that facilitate the development of manager competences. This shows that Max et al.'s (2010) mentioning of formal career plans as only MD method is clearly incomplete.

Developmental activities (type 2), were emphasized greatly and mentioned by all 20 interviewees. Our findings thus confirm authors such as Cook (2006) and Ready and Conger (2007), representing MD literature, who argue that on-the-job development is the most effective MD process. They also endorse C. Niedereichholz' (2010) conclusion that ICUs are suited as replacement for job rotations since this already lies in their nature of working on varied projects. Lastly, the fact that the interviewees considered on-the-job development so effective is in line with Yukl (2002), who underlined the benefits of exposure to a wide variety of challenges.

Nonetheless, our findings could not confirm Yukl's (2002) assertion that the "activities are planned to facilitate learning (…) [and that] it is not just a matter of random learning" (p. 370), but show that unplanned learning processes take place in the ICU to develop necessary competences. In line with the earlier highlighting of a rather unsystematic development program, no statements regarding planned on-the-job development methods, such as need-based project staffing or mentorship were provided. As some authors suggested, the latter could be due to the abovementioned lack of hierarchy in the ICU (Büchsenschütz & Baumgart, 2005; Springer & Marquart, 2010). The preceding analysis suggests that type 2 of our theoretical framework needs adjustment to include unplanned on-the-job learning. In addition, we found a large number of various learning sources within the category. These should be emphasized in our framework, to be able to analyze how they are affected by ICU characteristics and which

competences they develop. Such an analysis reveals that the variety of backgrounds of consultants paired with changing project teams enable learning from colleagues. The project work further provides the unique opportunity to learn from various clients. On the other hand, the high turnover in the ICU and the limited availability of projects restrict the time to learn from this network of people and determine the type of people consultants meet. Furthermore, learning from projects, extra tasks, and clients seems to primarily develop technical competences. Colleagues seem to provide an especially good learning source for conceptual skills.

The second frequently stated MD process was **formal training (type 1)**. As would be expected, ten out of 19 interviewees considered the trainings irrelevant to their manager role since they were designed to develop consulting skills. This is in line with Rothwell and Kazanas' assertion that formal training usually focuses on developing skills for the current position (as cited in Yukl, 2002). In the design of these formal trainings, the heterogeneous mix of backgrounds, which leads to widely diverging development needs, seems to pose a challenge to offering the same content for all consultants alike. This conclusion can be expected to influence the design of formal trainings for manager competences (as opposed to consulting skills) as well. We can thus support Jackson et al (2003) in that it "does not matter how much 'development' an individual experiences if (…) it was (…) unrelated to their needs" (p. 222). The fact that the remaining nine interviewees viewed specific trainings as relevant for their manager role, allows for the inference that some of the skills needed for consultant work are still relevant for managers.

Lastly, despite the fact that most consultants perceived the MD process as rather informal, there seems to be relatively little **self-help activity (type 3)**. Possible reasons for the low number of answers in this category (8) might be attributed to the fact that the interviewees did not think of self-help activities as active learning, but rather as part of their daily work. For example, while some consultants perceived the acquisition of projects as self-help activity, others might have conceived this as a natural part of their job. In addition, due to its broad definition, it was difficult to distinguish between self-help activities as defined by Yukl (2002) and, for example, on-the-job learning from clients, initiated by a discussion to learn about a certain topic. The boundaries of the category blur with type 2 aspects, so that self-help activities that happen on the job, e.g. consulting experts on the project topic, can be included in type 2 developmental activities. Therefore, our findings lead to the conclusion that the category of self-help activities does not add additional value to the evaluation of MD in ICUs.

4.4. Summary of Findings

Addressing our first sub-question of *which competences consultants learn in the ICU that they perceive as relevant to their later manager role,* we found all three expected categories of technical, conceptual and interpersonal competences from our theoretical framework. However, the interviews revealed that the category of leadership competences and the additional advantages network and assimilation needed to be added to the list of MD outcomes. In addition to learning a number of competences, the interviewees asserted that they were lacking two competences important to their later manager role: direct leadership skills and specific technical knowledge.

Regarding the second sub-question of *how these MD outcomes (competences and additional advantages) are developed,* our study showed that especially developmental activities (type 2), and to some extent formal training (type 1), were considered effective MD processes. The suggested planned type 2 methods, such as mentoring or systematic evaluations, could not be found in the case study. Instead, important sources (project work, colleagues, clients, extra tasks) were identified that facilitated rather unplanned learning in this case. Self-help activities (type 3), were least frequently mentioned and seemed to blur with type 2 development.

The foregoing analysis showed that our initial theoretical framework needs adaptations in the areas of MD outcomes and MD processes to become more applicable to the context of the ICU. In the adjusted framework, as outlined in Figure 5, the management competence categories have been extended by leadership competences and were furthermore placed under the umbrella of MD outcomes to allow the inclusion of the additional advantages network and assimilation into the model.

The MD process level is now composed of two MD processes, being re-labelled into off-the-job and on-the-job development. First, type 2 has been re-labelled and extended to reflect the unplanned learning and variety of sources that enable this type of development in addition to planned methods. In addition, the two categories have been defined to absorb the prior type 3 self-learning activities. As reasoned above, some self-help activities are better included in on-the-job processes. The remaining self-help activities, e.g. reading management books unrelated to the project work, can be included into the newly labelled type 1 category off-the-job development, which includes all activities conducted away from the individual's work site.

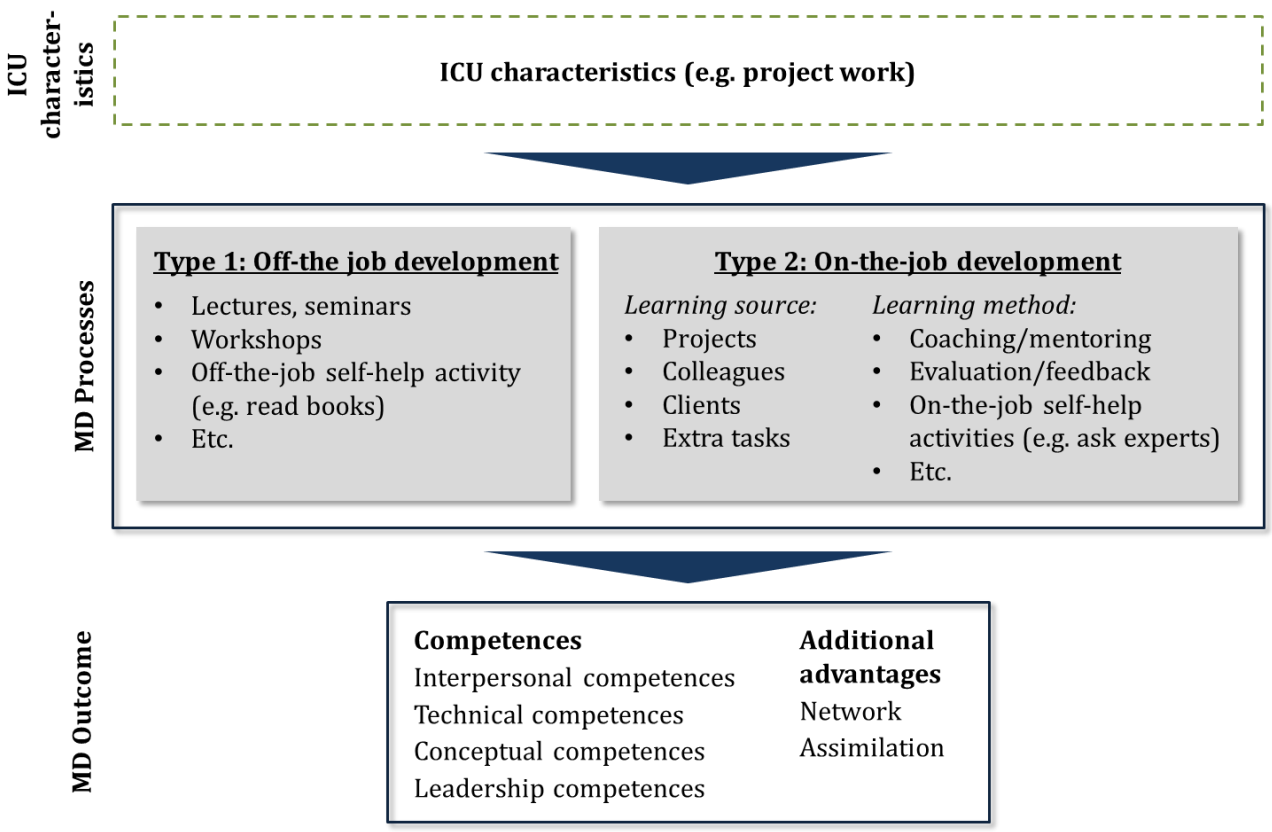

Figure 5: Adjusted Theoretical Framework (I)

The favorable and limiting characteristics for MD in ICUs that are still missing in the framework could be identified through the interviewees' responses and our analysis of their statements. A favorable characteristic was the ICU's embedment in the parent organization, whereas the lack of hierarchy and high turnover were labelled as clear drawbacks. Meanwhile, some aspects of the consultants' project work and heterogeneous backgrounds were considered beneficial while others were seen as hindering the development of certain competences. In order to complete the theoretical framework with these characteristics we need to clarify their impact on the MD outcomes and MD processes. The next chapter does this by discussing the characteristics in light of the main research question of *how ICUs can effectively contribute to MD*.

5. Discussion

Building upon the findings portrayed above, this chapter discusses the ICU as potential learning environment for future managers. In light of the research question of how ICUs can effectively contribute to MD it assesses the ICU's favorable and limiting characteristics in regard to effective MD (5.1 and 5.2 respectively). This chapter ends with completing the theoretical framework by displaying the influence of the aforementioned characteristics on MD (5.3).

5.1. Favorable Characteristics for MD in ICUs

Characteristics of the ICU, such as the heterogeneity of consultant backgrounds, variable project work, and embedment in the parent organization, work towards providing a varied, safe, and resourceful learning environment for its consultants. The following section discusses how these characteristics positively influence MD in ICUs.

5.1.1. Heterogeneous Backgrounds

Our study confirmed the literature in showing that internal consultants have a variety of backgrounds. In terms of education they possess degrees in either economic or science fields, often related to the parent company's industry. This partly affirms Dekom (1969), who noted that consultants usually have a background in fields relevant to the parent company. The majority of consultants arrive with some degree of work experience. These experiences vary from consulting activities and industry practice to experience inside the parent company.

This background variety turned out to lead to effective learning from colleagues especially during joint project work, which supports C. Niedereichholz' (2010) notion of the ICU as knowledge collection point. It can also support self-initiated learning (on-the-job) where the knowledge of colleagues can serve as resource pool for finding the needed expertise. In terms of formal training (off-the-job), consultants with specialized backgrounds are able to act as trainers. This saves the cost of hiring external trainers and increases the flexibility of organizing trainings. Lastly, the high numbers of internal consultants who join from external consultancies bring with them a collection of tools and approaches for analysis and problem solving which can be shared on- and off-the-job. Thus, internal consultants have the possibility to greatly expand their conceptual skills with the help of their colleagues.

5.1.2. Project Work

Internal consultants conduct project work on varying topics and within limited time frames. This way of working provides insights into different business areas and problem settings and access to diverse sets of people as learning sources. Many scholars have therefore suggested project work as only ICU characteristic leading to learning advantages (e.g. Grellmann et al., 2010;

Werner, 2000). This study found that it plays a significant role but should be examined in more detail and is not the only characteristic that needs to be considered.

Project work offers the benefits of job rotations (on-the-job) while preventing the drawback of dissatisfaction and low productivity among non-rotators. This justifies the view of many organizational leaders seeing the ICU as job rotation replacement (C. Niedereichholz, 2010). The variety of projects and teams fosters the development of several skills. It especially helps to develop technical skills in terms of factual knowledge about the organization and interpersonal competences in terms of political skills. Thus, our findings can support and extend Werner's (2000) list of learning outcomes from ICU project work. We reinforce his notion that project management, knowledge about the organization, social interaction with decision makers and stakeholders, and economic relationships can be learned in the ICU. While we find little evidence for learning "working in teams under critical circumstances" (Werner, 2000, p. 102), we can extend the list with the competence outcomes of structured working, application of tools, industry knowledge, and political skills.

The changing team compositions inherent in project work support another advantage: It helps to build a wide-ranging network. This network seems to be more important to the future mangers than literature suggests. One reason might be that most consultants find their future management position thanks to the visibility the network provides. This linkage between network and future management position has only been made explicit by one scholar known to us (Grellmann et al., 2010), while many others discuss the network as advantage without specifying how it benefits the internal consultant (e.g. Gala et al, 2010; Herbst & Klinge 2010). At first glance our findings seem to confirm that the network is a way to *get* the job, whereas competences are important to *perform* on the job. However, the network has also shown to advance competences by providing a source for self-learning and unplanned on-the-job learning. Moreover, it could, for example, provide an opportunity for planned on-the-job learning through mentors, who could come from various parts of the network. Lastly, using the political skills they gained, managers can tap into the network to achieve their own goals with the help of others.

Another aspect of the project work in the ICU is that project leadership is often in the hands of the client. Thus, the client, an experienced manager, monitors the project and makes the ultimate decisions for implementation. This gives consultants the opportunity to observe, try, and fail without causing major negative impacts to the organization as would be the case in, for example, line positions with budget responsibility. This safe environment helps new consultants adapt to the organization, find their place in it, and build confidence in their abilities to contribute.

5.1.3. Embedment in Parent Organization

Lastly, in contrast to their external counterparts, internal consultants conduct their projects within the organization of their future management employment. Thus, their wide learning experiences gained through the variability of the project work are already embedded in the same broad context as their future management position, making their learning experiences and network more relevant to their manager role. This is especially relevant for the acquisition of situational competences, such as technical knowledge about the organization and social interaction, which are usually difficult to transfer to different positions.

Generally, the above-mentioned ICU characteristics provide great advantages for learning to internal consultants. Currently, the CSS ICU builds its MD on these natural advantages and complements them with some formal training. This can explain the large portion of unplanned on-the-job learning that was reported. The apparent importance of unplanned learning is in line with Cannon's (1995) suggestion that a great deal of MD happens by chance, but contradicts the MD literature that emphasized planned processes (e.g. Goodge, 1998; Haskins & Shaffer, 2009; Yukl, 2002). Nonetheless, even planned initiatives can benefit from the ICU characteristics as described above.

5.2. Limiting Characteristics for MD in ICUs

Even if many ICU characteristics seem to benefit MD, some seem to limit it. The heterogeneous backgrounds and project work have their disadvantages, and a lack of hierarchy and high turnover can weaken MD in the ICU.

5.2.1. Heterogeneous Backgrounds

As much as different backgrounds provide learning opportunities, they also pose a challenge for formal training. The consultants' varying backgrounds and knowledge levels cause widely diverging training needs as emerged from this study. This can result in training irrelevant for some participants, if these are offered irrespective of background. Max et al. (2010) seem to disregard this and assume that one training catalogue can apply to all consultants. Our study finds that this does not hold true and thus underlines the importance of understanding this ICU characteristic better.

5.2.2. Project Work

The varying nature of the project work in ICUs seems to hinder the development of specific skills in some cases. First, varying topics cause the consultants to lack specific expertise for particular business areas and become generalists, as also noticed by Grellmann et al. (2010) and Kelly (1979). For some, this is not a disadvantage, but others would have liked to deepen their knowledge in a specific area, especially when they aimed at working in this area after their time

in the ICU. However, the work of consultants is dependent on the availability of projects, even if many are acquired by consultants themselves. Thus, if no projects are acquired in a certain business area, the particular knowledge needed for this area cannot be learned. Furthermore, changing team compositions make learning from colleagues and clients dependent on the project staffing on which consultants usually have little influence.

5.2.3. Lack of Hierarchical Structure

The lack of a formal hierarchy in the studied ICU might explain the lack of planned on-the-job activities such as mentoring and systematic evaluations, since evaluations are typically carried out by superiors and mentors are usually more senior than their mentees (Noe, 1991). Additionally, this lack of hierarchy, paired with the project work led by clients, means that consultants have few opportunities to take on personnel responsibility and develop their leadership skills. In their future management roles, consultants might thus initially struggle to perform as leaders and encounter difficulties to assert their authority. This challenge of the ICU emphasizes the attention that needs to be focused on leadership competences. Identifying it as fourth category is thus an important step in clearly recognizing this challenge.

5.2.4. High Turnover

Literature and interviewees emphasized the high turnover as a necessary condition for MD in ICUs (e.g. Galal et al., 2010; Max et al., 2010, C. Niedereichholz, 2010). However, this high turnover shortens the time in which consultants can benefit from development activities. This is especially relevant for learning from colleagues, because it is dependent on how long they stay in the ICU and how they have managed to formalize and share their knowledge before they leave.

Our study has shown that the abovementioned limiting characteristics of MD are currently not actively addressed in our case subject. However, scholars and our interviewees suggest that active MD planning using methods from the MD literature has the potential to overcome them. Nevertheless, these suggestions have to be approached with caution, since the abovementioned ICU characteristics are usually crucial to the work of ICUs.

5.3. Completion of Theoretical Framework

Following the analysis in Chapter 4, our initial theoretical framework was adapted in the areas of MD processes and outcomes. After discussing how these MD elements are influenced by the characteristics of the ICU, the framework can now be completed to reflect the findings of this study, as shown in Figure 6.

The consultants' backgrounds have shown to influence both off-the-job and on-the-job development in a positive or negative way. The other characteristics, namely the project work,

embedment in the organization, lack of hierarchy and high turnover, rather influence on-the-job learning. Project work can have negative and positive effects on different aspects of on-the-job learning, while the embedment in the organization is clearly a favorable characteristic of the ICU. The lack of hierarchy and high turnover have rather limiting effects on MD.

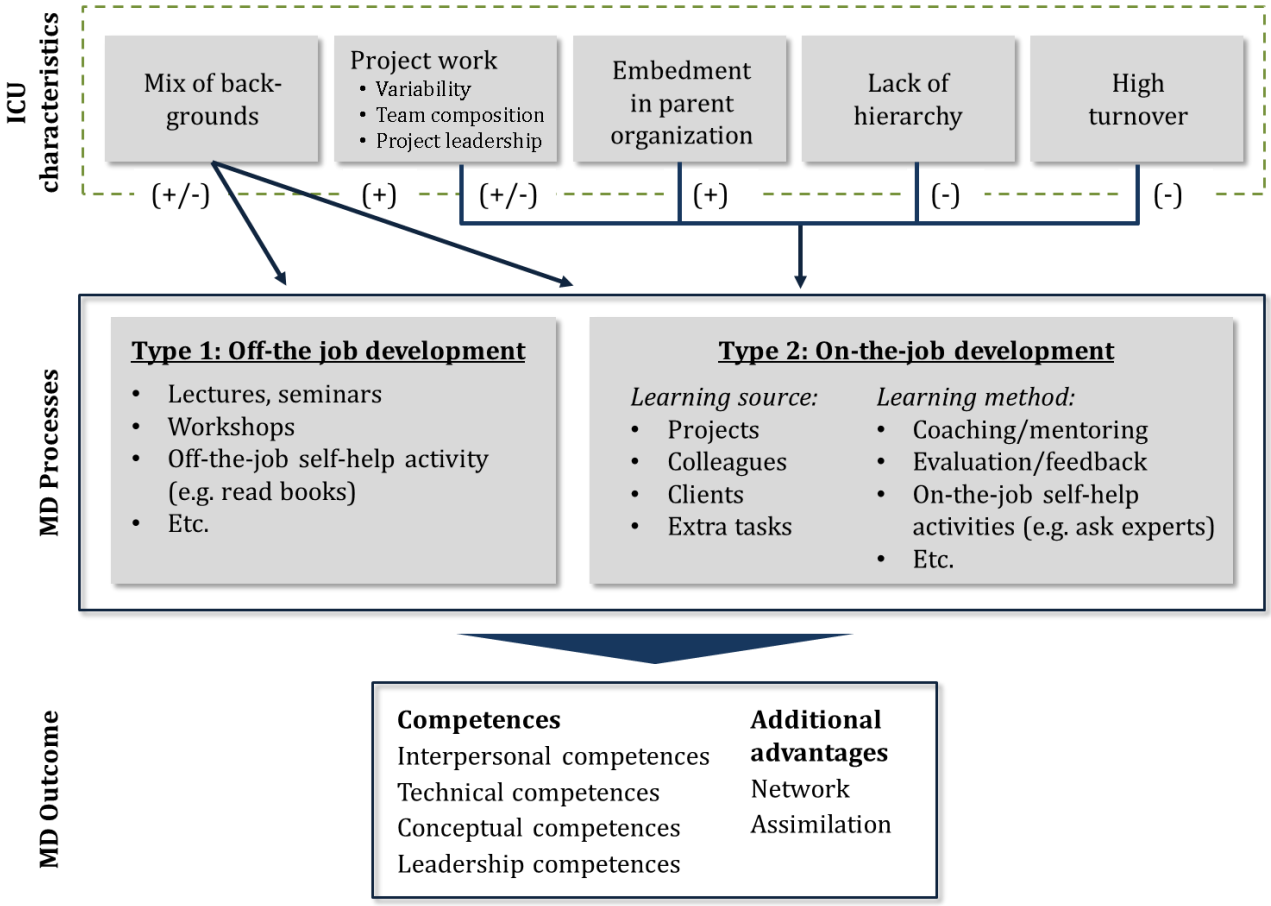

Figure 6: Adjusted Theoretical Framework (II)

6. Conclusion

This final chapter concludes our thesis by summarizing the answers to our research questions. It then illustrates the theoretical and practical implications of our results (6.1 and 6.2 respectively). Lastly, the chapter discusses the limitations that this researched faced (6.3) before suggesting avenues for future research (6.4).

Research shows that organizations are in need of competent managers but are both struggling to hire them externally and to develop them internally. Conventional MD approaches seem insufficient to fill these management talent gaps and alternative solutions need to be found. Since ICUs frequently prepare their internal consultants for management positions, they might offer a solution to the problem and should be included into MD considerations.

Therefore, we asked the main research question:

How can ICUs effectively contribute to MD?

We sought to answer this question by investigating the favorable and limiting characteristics of ICUs that can impact MD. This allowed us to determine whether ICUs are suitable environments for MD and how this fact could be employed to support effective MD.

Before addressing the main research question, we needed to understand how manager competences are currently developed in ICUs, which has not been researched in detail yet. To this end, we asked two sub-questions:

I. *Which competences do consultants learn in the ICU that they perceive as relevant to their later management role?*
II. *How are these competences developed?*

The answers to these sub-questions led to the evolvement of our theoretical framework. The final theoretical model includes MD outcomes consisting of the four competence categories interpersonal, technical, conceptual, and leadership competences as well as of the additional advantages network and assimilation. These outcomes are developed through two types of MD processes, namely off-the-job and on-the-job development.

By analyzing why certain competences are developed and others are missing and why certain MD processes are effectively utilized and others are not, we identified five characteristics that influence how ICUs can contribute to MD. Of these factors, the diverse background of consultants, the project work, and the embedment in the parent organization facilitate MD in ICUs. Diverse backgrounds increase the availability of experts to conduct off-the-job trainings and increase the

range of knowledge that can be learned from colleagues on-the-job. The project work had a positive effect on the range of on-the-job learning sources, such as tasks, colleagues, and clients, as well as on building a network through its variability in terms of tasks and team compositions. In addition, project leadership by clients allows room for consultants to gradually learn about and assimilate into the company. Being embedded in the parent organization, the ICUs' situational on-the-job learning outcomes are better transferable to manager positions than is usually the case.

On the downside, different consultant backgrounds cause diverging development needs, which especially affect off-the-job trainings. Moreover, the variability of the project work showed to hinder the development of specific technical knowledge. This revealed the general dependence of the learning outcomes in the ICU on the availability of project topics and the composition of teams. Furthermore, client project leadership, paired with the lack of hierarchy in the ICU, seemed to leave little opportunities for consultants to take on personnel responsibility and develop their leadership competences. Lastly, the high turnover in the ICU shortens the time available for MD which especially affects the opportunity to learn from colleagues, who might leave before they shared their knowledge.

The generated knowledge about favorable and limiting characteristics shows that ICUs have great potential to contribute to effective MD. By addressing their limitations through active MD planning, ICUs can potentially become an even greater contributor to MD than they are today. However, since some characteristics have shown to have both negative and positive consequences for MD and are often essential to the ICU's way of working it is important to focus on circumventing limiting characteristics rather than on trying to eliminate them.

6.1. Theoretical Contribution

By investigating MD in the context of an ICU, this study built a bridge between MD and ICU literature and contributed to the expansion of the respective research bodies. The developed framework, which combines MD and ICU particularities, offers initial steps towards a testable model. The framework achieves this by showing the influence of the ICU context on MD effectiveness.

6.1.1. Contribution to MD Research

Our findings extend the research on contextual factors that influence MD (e.g. Yukl, 2002; Brown, 2003) by illuminating MD in the context of ICUs. In particular, our findings help to understand how the characteristics of ICUs influence MD processes and the competences that are developed. Thereby, they reveal ICUs as suitable alternative to conventional HR-driven MD. This creates the potential to compare this study's outcomes to similar studies in other organizational

departments to deepen the understanding of other contextual factors on MD. By gathering information from the people that undergo development rather than from HR professionals as is often the case (Mabey & Gooderham, 2005), we add additional insights to the field. Lastly, the necessity to adapt our original framework emphasizes the need to create theoretical concepts that reflect all variables of interest. Including leadership competences in the model, adding additional advantages, and subdividing on-the-job learning sources can ensure that these concepts are not neglected in future research on MD in ICUs.

6.1.2. Contribution to ICU Research

The study extends the scarce body of research on ICUs. While the ICU's role of MD had been identified by literature before, we were able to depict the MD outcomes and MD processes underlying this role, leading to an improved understanding of one of the various roles ICUs can play in organizations. Thereby, we also help to clarify the difference in development purposes of ICU activities, which can be either aimed at developing internal consultants to improve their work or to prepare them for future management roles. Lastly, by studying the research question in English, this work helped making the knowledge that has been created on ICUs in German available to a broader international audience.

6.2. Practical Implications

To exploit the ICUs' full MD potential, both ICU leaders and HR practitioners should be aware of each other's contributions to MD. HR practitioners might want to integrate ICUs in their MD strategy because our study showed that even ICUs that are not explicitly tasked with MD today can contribute with relatively little effort (i.e. without using planned MD methods). At the same time, ICU practitioners could benefit from actively integrating and adapting MD methods from MD literature to be able to combine the advantages of systematic MD with their intimate knowledge of people's development needs and the favorable learning environment that the ICU provides. The following elaborates on selected managerial implications for both sides.

6.2.1. Implications for Parent Organization HR

HR practitioners in the ICU's parent organization can use the generated knowledge to consciously include the ICU's capabilities in their overall MD strategies. In our case study, only three interviewees changed from positions within CSS into the ICU and back. These transfers could be employed more frequently to develop internal talent into management positions. Another way of using available resources within the organization more efficiently would be to use the internal consultants' expertise in trainings for other departments.

6.2.2. Implications for ICU Management

According to the findings of this study, most MD happens naturally on-the-job. Nevertheless, ICUs could consciously make use of their favorable MD characteristics, by, for example, systematically encouraging knowledge sharing among consultants. ICUs might also benefit from introducing development plans, built upon the consultants' backgrounds and pre-knowledge. Considering that future roles of internal consultants are often not predictable, the ICU would benefit from designing rather flexible development schemes that, potentially in cooperation with parent company's HR function, determine a certain competence level necessary for managers. The ICUs' natural drawbacks to MD (e.g. lack of specific technical knowledge because of the variability of project work), however, do not necessarily need to be eliminated as they might be essential to the ICUs' way of working. Rather, MD methods can be utilized to sidestep them and further realize the ICUs' potential. For example employing mentors from within the parent organization could circumvent the ICUs' lack of hierarchy by making use of its network.

6.3. Limitations

By limiting our research to one German mid-sized ICU and to a sample of 20 interviewees, our first limitation is that we cannot guarantee the generalizability of the findings across other ICUs, especially of other countries, industries, and sizes.

Second, limitations derive from biases in our study sample. Since we only interviewed former internal consultants who stayed within CSS as managers, we might have missed other perspectives on MD from former consultants who first worked at CSS but then left the organization. Moreover, our interviewees occupied their manager positions for 0,6 to 12,5 years. Depending on how recent their experiences in the ICU were, their answers regarding acquired competences and MD effectiveness might have been blurred in retrospective and their perceptions might not reflect the current state of MD in the ICU anymore.

Lastly, even if our interviewees perceived themselves well-prepared for their manager position, this does not reveal whether they are good managers or whether they are unaware of competences they are lacking.

6.4. Future Research

As outlined above, there is great potential for future research due to the fact that general research on ICUs is scarce and dated and that MD literature has so far not investigated ICUs as contributors to MD.

First, it would be of interest to test our framework against other ICUs of all sizes, in different industries and countries with larger samples. This would allow an evaluation of how these changing variables affect the framework and the effectiveness of MD in ICUs.

Second, it could be valuable to conduct a longitudinal study on MD in ICUs by asking internal consultants about their learning while they are still in the ICU and comparing these findings with the competences they need for their manager jobs when they leave the ICU. This way, uncertainty about the attribution of learning to the ICU-time or to other experiences can be avoided and more knowledge about relevant manager competences can be gained.

Third, we suggest investigating MD in ICUs from the perspective of the managers' superiors and employees. In this study, we interviewed the developed managers themselves and thereby implied that their current manager ability was of good quality which might not be confirmed by outsiders. Thus, it would be advantageous to interview subordinates and superiors who have both experienced managers who worked in ICUs before and those who took another path to the same management level. In this way, the quality of MD in ICUs could be further investigated and potentially challenged.

Lastly, since our findings revealed that ICUs can effectively contribute to MD in the parent organization, the cooperation between HR and ICU in regard to MD should be examined. By investigating the interplay between both functions the overall effectiveness of MD in the organization and appropriate allocation of resources can be addressed.

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8. Appendix

8.1. Comparison between CSS ICU and Literature

Feature	ICU information	Source	CSS ICU
Size of ICU	Small ICUs: 1-15 employees Mid-sized ICUs: 16-75 employees Large ICUs: 75 + employees	Bayer Business Services (2009)	medium-sized ICU
Ratio consultants : employees	Conflicting statements: 1 : 200-300 employees; 1 : 1,200 employees	Deelmann & Petmecky (2005); Dekom (1969); Spechler & Wickler (1980)	~ 1 : 1,200
% of ICUs that only work for parent organization	74-75 %	Bayer Business Services (2009); Galal et al. (2010)	Only works for parent organization
Leadership in internal projects (in % of all projects)	41 %: ICU 35 %: Internal client 23 %: Shared leadership	Bayer Business Services (2009)	Leadership largely with internal client

Table 6: Comparison between CSS ICU and Literature

8.2. Overview of Interviewees

No.	Interviewee code	Interview date	Interview type
1	HR	19.2.2014	face-to-face interview
2	ICU_Head	20.2.2014	face-to-face interview
3	1_Int	26.2.2014	telephone interview
4	2_Int	19.2.2014	face-to-face interview
5	3_Int	19.2.2014	face-to-face interview
6	4_Int	20.2.2014	face-to-face interview
7	5_Int	20.2.2014	face-to-face interview
8	6_Int	21.2.2014	face-to-face interview
9	7_Int	21.2.2014	face-to-face interview
10	8_Int	25.2.2014	telephone interview
11	9_Int	20.2.2014	face-to-face interview
12	10_Int	21.2.2014	face-to-face interview
13	11_Int	21.2.2014	face-to-face interview
14	12_Int	26.2.2014	telephone interview
15	13_Int	27.2.2014	telephone interview
16	14_Int	28.2.2014	telephone interview
17	15_Int	28.2.2014	telephone interview
18	16_Int	28.2.2014	telephone interview
19	17_Int	28.2.2014	telephone interview
20	18_Int	21.2.2014	face-to-face interview
21	19_Int	12.3.2014	telephone interview
22	20_Int	13.3.2014	telephone interview

Table 7: Overview Interviewees

8.3. Interview Guide (translated from German)

Interview guide for former internal consultants

Career path before entering CSS ICU

- What was your career path (starting with your educational background) before CSS ICU?
- How many years of work experience did you have before CSS ICU?
- Why did you decide to join CSS ICU?
- Which expectations did you have when you joined CSS ICU regarding your career?
- Were your expectations fulfilled? If yes, how? If no, why not?

Management development at CSS ICU

- *Entry question:* What determines a good manager in your opinion?
- How did the management development look like at CSS ISU?
- Which competences did you gain while working at CSS ICU that were particularly relevant for your following management role?
- How did you gain these competences?
    - *Example for probing question:* Do you remember how you gained competence XY (relate to prior question)?
    - *Example for probing question:* Was there something that you initiated yourself in order to gain more relevant competences?
- *Example for probing question:* Can you describe a project in which you learned particularly much for your following management position? What did you learn and how?
- If you think of the competences you needed in your manager role following the ICU, how much of these did you learn before the ICU, in the ICU and on the job itself? (% distribution)

Manager position after ICU

- Would you say that the ICU prepared you well for your following manager position?
    - Why? / Why not?
- Which advantages or disadvantages do you see, when you compare yourself with managers on the same hierarchal level that did not work in the ICU before?
- Which manager competences were missing in your management position after the ICU?
    - How might they have been developed in the ICU?
- How did you get your management position after the ICU? (I.e., did you know your subsequent superior from previous project?)

Interview guide for former internal consultants (continued)

Others

- How could the management development in the ICU be improved?
- Are you still in contact with the ICU? On what occasion?

Personal information (if not covered before)

- How many years did you stay in CSS ICU?
- What was your first position after the CSS ICU?
- What is your current position? (If applicable)
    - Number of employees (you are responsible for)
    - Budget responsibility
- What is your age?

8.4. Analysis Process Example for Relevant Themes

Theme	Category	Sub-Category	Code	Example Quote
Consultant attributes	Personal information		Age	*n.a. (confidential)*
			Position after ICU	*n.a. (confidential)*
			Current position	*n.a. (confidential)*
	Background		Work experience	*n.a. (confidential)*
			Studies	*n.a. (confidential)*
			PhD	*n.a. (confidential)*
Manager Competences	Technical competences	Factual knowledge about organization	Understand structures	"Through the time in [CSS ICU] you understand the structures of the organization; that means you also understand how the decision-making processes function and the individual cogwheels within the organization interact." (6_Int)
			Understand processes	
			Understand products	"Towards the end I worked a lot for the [name] business unit (...) and learned a lot about the [name] business and products from the unit manager." (14_Int)
			Understand business model	"(...) learned a lot about [CSS], I mean how the business works." (1_Int)
		Factual knowledge about industry	Understand industry	"[You gain] industry experience." (13_Int)
			Understand industry regulations	"How does it work? (...) Which regulations are there?" (5_Int)
		Project management	Project steps	"(...) how do I set up a project? What do I have to do? Which things do I need to pay attention to?" (5_Int)
			Project set-up	
			Lead sub-project	"But leadership in a project definitely."(20_Con)
		Others	MS Office	"(...) PowerPoint (...)" (3_Int)
	Conceptual competences	Work approach	Top-Down Approach	"(...) you apply a top-down approach. You first don't understand the details but you look at it from the top and then try to give it all a structure." (1_Int)
			Documentation	"(...) insight into different documentation approaches (...)" (6_Int)
			Analytical approach	"What I definitely learned was to approach tasks systematically and process-driven, meaning to approach problems analytically." (15_Int)
		Analytical tools	Pyramid principle	"Pyramid principle is again a very important training." (3_Int)
			RACI Matrix	"I learned some tools, starting with classical things such as a RACI-matrix [and] process-mapping." (2_Int)
			Process mapping	
			ABC analysis	"(...) insight into different tools like benchmarking and ABC-Analysis (...)" (6_Int)
			Benchmarking	
		Others	Strategy formulation	"Formulating strategies (...) that is learning-by-doing" (10_Int)
			Business models	"(...) business models, business cases - theses topics I learned on the projects." (3_Int)
			Trend anticipation	"You think through models [and] make anticipations (...)." (3_Int)
			Problem solving	"(...) I mean problem solving without being an expert (...)." (1_Int)
			Client segmentation	"(...) [I did] one enriching project regarding client segementation (...)" (19_Int)
	Interpersonal competences	Social interaction	Deal with people	"Before, I was rather working in start-ups and smaller business units; there the way of collaborating is quite different than here in such a large, traditional German (...) company." (2_Int)
			Operate in network	"(...) strike the right chord in a 1-to-1 conversation with your colleagues (...)." (5_Int)
		Political skills	Understand politics	"There are many stakeholders with different interests and you learn to juggle and reconcile them." (15_Int)
			Use politics	"We are often more able to employ the next hierarchy level (...). Keyword: ‚borrowed power'. (2_Int)

Theme	Category	Sub-Category	Code	Example Quote
Manager Competences (cont.)	Interpersonal competences (cont.)	Communication skills	Presentation	"The seminar moderation and presentation still help me today." (3_Int)
			Moderation	
			Diplomacy	"Especially on the higher management levels you benefit from the learned diplomacy" (13_Int)
			Negotiation	"What I improved through training were negotiation skills (…)" (15_Int)
			Feedback	"(…) you learn how to give and take professional feedback (…)" (3_Int)
		Others	Conflict	"We had conflict management (…)." (12_Int)
			Understand personality types	"(…) to become aware of the different personality types and working characters (…)." (16_Int)
	Leadership competences	Direct leadership	Lateral leadership	"The situation you are in of leading without the disciplinary responsibility is trained very intensively; that means you are often in the role of a project leader even though this is not your official title." (16_Int)
			Recruiting	"I was involved in the recruiting process (…)." (10_Int)
			Mentoring	"(…) [you learn] informal leadership by mentoring interns." (6_Int)
			Self-responsiblity	"My time in the [CSS ICU] was characterized by a high degree of self-responsibility (…) with little guidance." (12_Int)
	Missing competences	Missing_ Leadership	Missing_ motivation	"In terms of preparation for the line the [CSS ICU] lacks leadership responsibility and non-project-related leadership, that means personnel responsibility: motivation, talent development, recruiting, teaching people, structuring the teams so that everyone knows what to do." (20_Int)
			Missing_ talent development	
			Missing_role model	
			Missing_ frame problems	
			Missing_ delegate	"(…) you had to learn to delegate a lot better, which I struggled with a lot and which I still struggle with today (…)" (4_Int)
		Missing_ Specific technical knowlegde	Missing_SAP	"(…) systems such as SAP." (16_Int)
			Missing_ supply chain	"It would have certainly been helpful to work on supply-chain projects during my time in [CSS ICU] (…)." (16_Int)
	Relevance of competence*		Relevant for later*	"The [skills from the] seminar moderation and presentation still help me today." (3_Int)
MD Processes	Formal training (type 1)		Training characteristics	"(…) that were 2-3 days off-site training where parts of the [CSS ICU] went collectively" (3_Int)
			"Basic training"**	"(…); at [CSS ICU] you learn it in the [name] seminar." (16_Int)
			"Advanced training"**	"There are several trainings that are offered (…) [e.g.] conflict management (…)"
			Quality of content	"What was absolutely of use was the training regarding project management (…)." (8_Int)
			Quality of design	"The team constellation was in some cases not adequate. (…)" (12_Int)
	Develop-mental activities (type 2)		Learning from projects	"You learn a lot through the actual work. (…) That means, a lot of learning-by-doing actually." (19_Int)
			Learning from colleagues	"Then you have a good mix of seniority and thus, people teach each other and that is a very strong element." (9_Int)
			Learning from clients	"You encounter many competent contact persons, and if you act smartly, you can take away a little bit from everyone." (19_Int)
			Learning from extra tasks	"By training others you learn a lot regarding communication and how to lead such a group (…)." (14_Int)
			Learning from external consultants	"(…) we also worked with external consultancies. I had the chance to work with [external consultancies], there you learn how they approach problems, in contrast to an internal consultancy." (2_Int)

*) Note: Relevance (and irrelevance) was coded for all competences and processes as well as additional learning outcomes whenever applicable. For a facilitated understanding, this extract only shows this code exemplarily. Also note that each quote might have more than one code.

**) According to provided training list

Theme	Category	Sub-Category	Code	Example Quote
MD Processes (cont.)	Self-help activities (type 3)		Learning from literature	"(…) and I bought a book and read up on it (…)." (14_Int)
			Learning from experts	"Basically [I learned it] by talking to some ex-colleagues that I still knew from my times at [external consultancy] who then worked at venture-capital
			Learning from online-programs	"(…) that, when you are travelling and have a bit of time, that you do a Coursera course (…)" (3_Int)
	Overall MD system		Career planning	"A career plan as such does not exist, I mean at least no formal one." (2_Int)
			Overall MD characteristics	"There is one [name] development program (…) [with] different components." (3_Int)
	Relevance of MD process*		Relevant for later*	"I was involved in the recruiting processes (…) which I also need to do now (…)." (10_Int)
Additional advantages	Network		Network general	"The advantage is certainly that in the consultant function you get in contact with the decision makers relatively quickly." (7_Int)
			Network visibility	"The internal network that you built through [CSS ICU] helped to get the job, so to know about it promptly and to be taken into consideration in the application process." (16_Int)
	Assimilation		Understand culture	"You get to know the culture of the organization, the way of working. You learn, relatively painfully, that you cannot work as before." (4_Int)
			Resozialisation	"So, for example, I set some deadlines way too tight. (…) I had unrealistic expectations in the beginning and ran against a wall. And then, the second time you do something, you know where the wall stands." (19_Int)
Favorable ICU characteristics	Fav_hetero-geneous back-grounds		Fav_ heterogeneous backgrounds	"(…) that you have the mix of backgrounds is brilliant." (3_Int); "In fact, this is designed intelligently because you have a mix of former consultants that you can partner up with [junior consultants]. Then you have a good mix of seniority and thus, people teach each other and that is a very strong element." (9_Int)
	Fav_project work		Fav_project work	"(…) because it's the combination of the different projects that is so important. The combination gives you the the industry and the company knowledge (…)"
Limiting ICU characteristics	Limit_ hetero-geneous backgrounds		Limit_hetero-geneous backgrounds	"(…) and the team constellation was in some cases not adequate. [There are] colleagues that have (…) little consulting experience and you yourself have 5 or 6 years of experience; you just have other needs in such a training." (12_Int)
	Limit_project work		Limit_project work	" They knew I was an expert in this field and if we would have gotten a supply-chain project, I would surely have gotten it. But there was none." (16_Int).
	Limit_Lack of hierarchy		Limit_lack of hierarchy	"Since you don't have a hierarchy in [CSS ICU], you don't have personnel responsibility either" (10_Int)
Improvement suggestions	Improve-ment_ competences		Improvement_ leadership	"One could of course do this through internal structures (…), meaning that within [CSS ICU] someone has leadership responsibility for others." (20_Int)
			Improvement_ specialized knowledge	"(…) therefore it would be wise to have more operational projects before you move on to positions [in CSS]." (6_Int)
	Improve-ment_ MD processes		Improvement_ mentorship	"What you could or should do better is to allocate a mentor to the consultants; somebody from the operational units or central functions who could coach and advise you." (8_Int)
			Improvement_ online education	"(…) that makes sense to do something like that [online-course] for very [CSS] specific topics" (3_Int)
			Improvement_ seminars	"(…) you can do more subject-linked trainings, e.g. forecasting marketing excellence (…)" (19_Int)
	Improve-ment_ MD system		Improvement_ systematic MD	"(…) that you want to create a certain profile (…) and in order develop this profile, this person has to work in Sales, for example (…). So that development happens consciously" (13_Int)
			Improvement_ infrastructure	"I think in regard to the content it would make sense (…) to install a case library with experiences one already gained (…)" (4_Int)

Table 8: Example Analysis Process for Relevant Themes

*) Note: Relevance (and irrelevance) was coded for all competences and processes as well as additional learning outcomes whenever applicable. For a facilitated understanding, this extract only shows this code exemplarily. Also note that each quote might have more than one code.