

## *Abstract*

*Changing business environment demands organizations to develop managers to face future challenges. In this context the topic, management development has received a prominent place in human resource management and as such training institutions have to play a significant role as most of the organizations depend heavily on external training for management development. This study examines the effectiveness of the training institution in management development. It attempts to study the effectiveness of external training by examining a sample of training institutions that conduct diploma in management program and relate the results of the study to the effectiveness of the training institution. National Institute of Business Management, National Institute of Plantation Management, Sri Lanka Institute of Development Administration and University of Colombo are selected for this study. Having reviewed literature extensively on training and development and evaluation of training, a conceptual model is developed taking training institution, client organization and trainee into consideration. In this model course design and training needs analysis are defined as the two independent variables and the effectiveness of training as the dependent variable. Three hypotheses are developed to study the relationship between the dependent variable and independent variables. To study the relationship a questionnaire has been developed and administered among 216 successful participants of the diploma program. The questionnaire consists of 24 statements that are divided into three main categories of course design; training needs analysis and effectiveness of training. The likert scale ranging from strongly disagree (one point) to strongly agree (five points) is used to rate responses. Formulated hypotheses are analyzed and tested for statistical significance and correlation and coefficient. The results indicate that the course design has a moderate positive linear relationship with the effectiveness of training while training needs analysis has a weak positive linear relationship. A sample of 10 respondents to the questionnaire are subjected to unstructured interviews to obtain further clarifications and structured interviews are conducted among a sample of 15 HR academics and professionals to obtain expert opinion on important issues with a view to validate some of the findings of the questionnaire. Findings suggest that effectiveness of training in training institutions is moderate and the role of the training institution in management development is not very effective. Findings have important implications for both training institution and client organization. The implication for the training institution is that they need to focus on developing demand-based training programs tailor-made to meet the requirement of the client organizations. A major drawback revealed in the study is non-consideration of the adult learning concepts in delivering training. From the perspective of the client organization, it has been revealed that there is a necessity to assess training needs objectively and to provide continuous feedback to the training institution with a view to improve both design and delivery of training programs.*