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CHAPTER 2
STRATEGIC TRAINING

The chapter on "Strategic Training" begins with a discussion of how training is evolving. It discusses the strategic training and development process, organizational characteristics that influence training, various models for organizing the training department, how to brand training and market it to the rest of the company, and the advantages and disadvantages of outsourcing training. The chapter highlights the importance of linking the training function to the company's strategy. It first presents an overview of the work roles of employees, managers, and executives. The later part of this chapter talks about organizational characteristics, such as the extent to which the company has global operations and business conditions that influence training practices are discussed. Other human resource functions are highlighted and their relationships to training described. Trends in the changing role of training are identified as well as the training implications of various business strategies, from concentration to divestment. Finally, the chapter presents major models of training function organization, which including the corporate university model, and the business-embedded model. This is critical information to the reader, for if training is not tied to business strategy, then its existence may be tenuous and, perhaps, not justifiable.

Objectives

1. Discuss how business strategy influences the type and amount of training in a company.
2. Describe the strategic training and development process.
3. Discuss how a company's staffing and human resource planning strategies influence training.
4. Explain the training needs created by concentration, internal growth, external growth, and disinvestment business strategies.
5. Discuss the advantages and disadvantages of centralizing the training function.
6. Discuss how to create a learning or training brand and why it is important.
7. Discuss the strengths of the business-embedded model for organizing the training function.
8. Explain a corporate university and its benefits.

I. *Introduction*

A. A business strategy is a plan that integrates the company's goals, policies, and actions.

The goals are what the company hopes to achieve in the medium and long-term future. There are both direct and indirect links between training and business strategy and goals. Training that helps employees develop the skills needed to perform their jobs directly affects the business.

B. Business strategy has a major impact on the type and amount of training that occurs and whether resources (money, trainers' time, and program development) should be devoted to training. Also, strategy influences the type, level, and mix of skills needed in the company.

The Evolution of Training: From an Event to Learning

A. As more companies recognize the importance of learning for meeting business challenges and providing a competitive advantage, the role of training in companies is changing.
B. Learning occurs through training, development, informal learning, and knowledge management.
C. After attending the training program, employees are responsible for using what they learned in training on the job.
D. The role of training as a program or event will continue into the future because employees will always need to be taught specific knowledge and skills.
E. However, the training events or programs will need to be more closely tied to performance improvement and business needs to receive support from top management.

II. *Learning as a Strategic Focus*

The Learning Organization

A. Learning organization is a company that has an enhanced capacity to learn, adapt, and change. In a learning organization, training is seen as one part of a system designed to create human capital.
B. To learn from failure and success requires providing employees with the opportunity to experiment with products and services similar to what happens in engineering and scientific research. Some of the conditions necessary for successful experimentation include that it involves genuine uncertainty, the cost of failure is small and contained, the risks of failure are understood and eliminated if possible, there is an understanding that failure still provides important information, success is defined, and the opportunity is significant.
C. A single training event or program is not likely to give a company a competitive advantage because explicit knowledge is well-known and programs designed to teach it can be easily developed and imitated.

Implications of Learning for Human Capital Development

A. There is recognition that to be effective, learning has to be related to helping employees' performance improve and the company achieve its business goals.
B. Unpredictability in the business environment in which companies operate will continue to be the norm.
C. Because tacit knowledge is difficult to acquire in training programs, companies need to support informal learning that occurs through mentoring, chat rooms, and job experiences.
D. Learning has to be supported not only with physical and technical resources but also psychologically.
E. Managers need to understand employees' interests and career goals to help them find suitable development activities that will prepare them to be successful in other positions in the company or deal with expansion of their current job.

III. *The Strategic Training and Development Process*

The strategic training and development process model shows that the process begins with identifying the business strategy.

Business Strategy Formulation and Identification
A. Five major components are part of developing a new business strategy.
B. The mission is the company's reason for existing, the vision is the picture of the future that the company wants to achieve, and values are what the company stands for.
C. The second component is the company goals, which are what the company hopes to achieve in the medium to long term; they reflect how the mission will be carried out. Training can contribute to a number of different business goals.
D. The third and fourth components, external and internal analysis, are combined to form what is called a SWOT analysis. A SWOT analysis consists of an internal analysis of strengths and weaknesses and an external analysis of opportunities and threats to the company that currently exist or are anticipated.
E. The last component is strategic choice. After completing the SWOT analysis, the company (usually managers involved in strategic planning) has all the information it needs to consider how to compete, generate several alternative business strategies and make a strategic choice.

Identify Strategic Training and Development Initiatives That Support the Strategy
A. Strategic training and development initiatives are learning-related actions that a company should take to help it achieve its business strategy.
B. The initiatives are based on the business environment, an understanding of the company's goals and resources, and insight regarding potential training and development options.

Provide Training and Development Activities Linked to Strategic Training and Development Initiatives
Translating these strategic training and development initiatives into concrete training and development activities is the next step of the process. These activities include:
A. Developing initiatives related to use of new technology in training
B. Increasing access to training programs for certain groups of employees
C. Reducing development time, and developing new or expanded course offerings

Identify and Collect Metrics to Show Training Success
Determining whether training and development activities actually contribute to the
business goals involves identifying and collecting outcome measures, or metrics.
A. Metrics that are typically used to identify training success or effectiveness include: (1)
   trainees' satisfaction with the training program; (2) whether the trainees' knowledge,
   skill, ability, or attitudes changed as a result of program participation; and (3) whether
   the program resulted in business-related outcomes for the company.
B. The business-related outcomes should be directly linked to the business strategy and
   goals. Some companies use the balanced scorecard as a process to evaluate all aspects
   of the business.
C. The balanced scorecard is a means of performance measurement that provides managers
   with a chance to look at the overall company performance or the performance of
   departments or functions (such as training) from the perspective of internal and external
   customers, employees, and shareholders. The balanced scorecard considers four
   different perspectives:
   1. Customer (time, quality, performance, service, cost).
   2. Internal (processes that influence customer satisfaction).
   3. Innovation and learning (operating efficiency, employee satisfaction,
      continuous improvement).
   4. Financial (profitability, growth, shareholder value).

Examples of the Strategic Training and Development Process
Consider the strategic training and development process in Barilla Group and
Mike's Carwash.

IV. *Organizational Characteristics that Influence Training*

Roles of Employees and Managers
A. Traditionally, employees' roles were to perform their jobs according to the managers'
   directions. They were not involved in improving the quality of the products or services.
B. However, with the emphasis on the creation of intellectual capital and the movement
   toward high-performance work systems using teams, employees today are
   performing many roles that were reserved for management.
C. Team members may receive training in skills needed for all positions on the team (cross
   training). To encourage cross training, companies may adopt skill-based pay systems.
D. Traditional work settings required managers to do the following:
   1. Manage individual performance: including assessing performance and
      providing feedback, and changing performance as needed.
   2. Develop employees: providing them with the necessary skills and knowledge
      to perform.
   3. Plan and allocate resources: translating strategic plans into tasks and deadlines.
   4. Coordinate interdependent groups: enabling groups to understand each other's
      goals and needs.
   5. Manage group performance: defining areas of responsibility, and meeting with
      other managers to coordinate groups and facilitate change as needed.

6. Facilitating decision-making process: Facilitate team and individual decision making. Encourage the use of effective decision-making processes (dealing with conflict, statistical process control).
7. Creating and maintaining trust: Ensure that each team member is responsible for his or her workload and customers. Treat all team members with respect. Listen and respond honestly to team ideas.
8. Represent one's work unit: Develop relationships with other managers, communicate the needs of the work group to other units, and provide information on work group status to other groups.

Top Management Support
A. The CEO, the top manager in the company, plays a key role in determining the importance of training and learning in the company.
B. CEO's are also responsible for: a clear direction for learning (vision), encouragement, resources, and commitment for strategic learning (sponsor), taking an active role in governing learning, including reviewing goals and objectives and providing insight on how to measure training effectiveness (governor), developing new learning programs for the company, teaching programs or providing resources online (faculty), serving as a role model for the entire company and demonstrating willingness to constantly learn (learner), and promoting the company's commitment to learning (marketing agent).

Integration of Business Units
The degree of integration of business units affects the approach to training. In a highly integrated business, employees need to understand all parts of the company and training must address those needs.

Global Presence
For companies with global operations, training is needed to prepare employees for overseas assignments. These companies must decide if training will be coordinated through a central U.S. facility or through satellite installations located near overseas facilities.

Business Conditions
A. When unemployment is low and/or businesses are growing at a high rate and need more employees, companies often find it difficult to attract new employees, find employees with necessary skills, and retain current employees.
B. For companies in unstable business environments, characterized by mergers, acquisitions or disinvestments of businesses, training may be left up to managers or it becomes very short-term oriented.
C. For companies experiencing growth, training may be a greater demand among employees who want to qualify themselves for lateral job moves and promotions.
D. When companies are trying to revitalize and redirect, earnings may be flat and there are likely fewer incentives for participation in training programs. When companies downsize, training must focus on ensuring continued employability.

Other HRM Practices
A. Human Resource management practices (HRM) consists of management activities related to the investment (time, effort and money) in staffing, performance management, training, and compensation and benefits. Companies that adopt state-of-the-art HRM practices that contribute to business strategy tend to demonstrate higher level of performance than firms that do not. Training, along with selection, performance management, and compensation influence attraction motivation and retention of human capital.
B. Staffing Strategy refers to the company's philosophy regarding where to find employees, how to select them, and the desired mix of employee skills and statuses (temporary, fulltime, etc.).
   1. Companies vary on such issues as the extent to which they rely on the internal labor market (i.e., current human resources) versus the external labor market (i.e., job applicants from outside the firm).
   2. Two aspects of a company's staffing strategy influence training:
      a. The criteria used to make promotion and assignment decisions (assignment flow).
      b. The places where the company prefers to obtain the human resources to fill open positions (supply flow).
C. Companies also vary on the extent to which they make promotion and job assignment decisions on individual performance versus group or unit performance.

Strategic Value of Jobs and Employee Uniqueness
A. Uniqueness refers to the extent to which employees are rare and specialized and not highly available in the labor market.
B. Strategic value refers to employee potential to improve company effectiveness and efficiency.
C. Human Resource Planning includes identifying, analyzing, forecasting, and planning changes needed in the human resources to help the company be competitive. It allows for the anticipation for human resource movement due to turnover, transfers, retirements, promotions. Training can prepare employees for increased responsibilities, job changes, etc.

Extent of Unionization
The presence of a union leads to joint union-management programs for preparing employees for new jobs, ensuring that all parties buy into the necessary training or changes.

Staff involvement in Training and Development
A. Managers need to be involved so that training stays related to business needs and training transfer can be supported.
B. Managers become more involved in the training process if they are rewarded for participating.
C. An emerging trend is to have employees initiate the training process, bearing the responsibility for planning their own development with the company supporting their initiatives.

D. Training and development planning involve identifying needs, choosing the expected outcome, identifying the actions that should be taken, deciding how progress toward goal attainment will be measured, and creating a timetable for improvement.

E. To identify strengths and weaknesses and training needs, employees need to analyze what they want to do, what they can do, how others perceive them, and what others expect of them.

V. *Training Needs in Different Strategies*

A. A concentration strategy focuses on increasing market share, reducing costs, or creating and maintaining a market niche for products and services.

B. An internal growth strategy focuses on new market and product development, innovation, and joint ventures.

C. An external growth strategy focuses on acquiring vendors and suppliers or buying businesses to enable the company to expand into new markets.

D. A disinvestment strategy focuses on liquidation and divestiture of businesses.

VI. *Models of Organizing the Training Department*

A. Structure of the training department has important implications for how the training function contributes to the business strategy.

B. Centralized training means that training and development programs, resources, and professionals are primarily housed in one location and decisions about training investment, programs, and delivery methods are made from that department. Advantages of centralized training function are:
   1. It helps drive stronger alignment with business strategy.
   2. It allows development of a common set of metrics or scorecards to measure and report rates of quality and delivery.
   3. It helps to streamline processes, and gives the company a cost advantage in purchasing training from vendors and consultants because of the number of trainees who will be involved.
   4. It helps companies better integrate programs for developing leaders and managing talent with training and learning during times of change.

The Corporate University Model (Corporate Training Universities)
The Corporate University Model has a client group which includes not only employees and managers, but also stakeholders outside the company, including community colleges, universities, high schools, and grade schools.

Creating a Corporate University
A. Senior managers form a governing body.
B. A vision statement needs to be developed.
C. A company has to decide how to fund the university.
D. The degree to which all training needs to be centralized needs to be determined.
E. The needs of the university customers must be identified.

F. Products and services need to be developed.
G. Chose learning partners including: suppliers, consultants, colleges, and companies specializing in education.
H. Develop and utilize new technologies to train employees.
I. Learning that occurs should be linked to specific performance improvement.
J. The value of the corporate university needs to be communicated to potential customers.

Business-Embedded (BE) Model
The BE Model is characterized by five competencies: strategic direction, product design, structural versatility, product delivery, and accountability for results.
A. It views trainees, their managers, and senior level decision makers as customers of training.
B. The most noticeable feature of a BE function is its structure. In BE training functions all persons who are involved in the training process communicate and share resources.
C. Current Practice: Business-Embedded Model with Centralized Training
    1. There is an increasing trend for the training function, especially in companies that have separate business units, to be organized by a blend of the BE model with centralized training that often includes a corporate university.
    2. This approach allows the company to gain the benefits of centralized training but at the same time ensure that training can provide programs, content, and delivery methods that meet the needs of specific businesses.

Learning, Training, and Development from a Change Model Perspective
A. Change involves the adoption of a new behavior or idea by a company. There are many reasons why companies are forced to change, including the introduction of new technology, the need to better take advantage of employee skills and capitalize on a diverse workforce, or the desire to enter global markets.
B. The process of change is based on the interaction among four components of the organization: task, employees, formal organizational arrangements (structures, processes, and systems), and informal organization (communication patterns, values, and norms).
C. The four change-related problems that need to be addressed before implementation of any new training practice are resistance to change, loss of control, power imbalance, and task redefinition.
    1. Resistance to change refers to managers' and employees' unwillingness to change.
    2. Control relates change to managers' and employees' ability to obtain and distribute valuable resources such as data, information, or money. Changes can cause managers and employees to have less control over resources.
    3. Power refers to the ability to influence others. Managers may lose the ability to influence employees as employees gain access to databases and other information, thus getting more autonomy to deliver products and services.
    4. Employees may be held accountable for learning in self-directed training. Web-based training methods, such as task redefinition, create changes in managers' and employees' roles and job responsibilities.

VII. *Marketing Training and Creating a Brand*

    A. Internal marketing involves making employees and managers excited about training and learning.

    B. It is especially important for trainers who act as internal consultants to business units.

    C. For internal consultants to survive, they must generate fees for their services.

    D. Successful internal marketing tactics:

        1. Involve the target audience in developing the training or learning effort.

        2. Demonstrate how a training and development program can be used to solve specific business needs.

        3. Showcase an example of how training has been used within the company to solve specific business needs.

        4. Identify a "champion" (e.g., top-level manager) who actively supports training.

        5. Listen and act on feedback received from clients, managers, and employees.

        6. Advertise on e-mail, on company Web sites, and in employee break areas.

        7. Designate someone in the training function as an account representative who will interact between the training designer or team and the business unit that is the customer.

        8. Determine what financial numbers such as return on assets, cash flow from operations, or net profit or loss, top-level executives are concerned with and show how training and development will help improve those numbers.

        9. Speak in terms that employees and managers understand. Don't use jargon.

    E. Training functions are beginning to become profit centers by selling training courses or seats in training courses to other companies. Companies sell training services for a number of reasons:

        1. Some businesses are so good at a particular aspect of their operations that other companies are asking for their expertise.

        2. Other companies aim training at their own customers or dealers.

        3. In some cases, the training department sells used seats in training programs or e-learning courses.

VIII. *Outsourcing Training*

    A. Outsourcing refers to the use of an outside company (an external services firm) that takes complete responsibility and control of some training or development activities or that takes over all or most of a company's training including administration, design, delivery, and development.

    B. Business process outsourcing refers to the outsourcing of any business process, such as human resource management, production, or training.

    C. Why would companies outsource training?

        1. Cost savings

        2. Time savings that allow a company to focus on business strategy

        3. Improvements in compliance and accuracy in training mandated to comply with federal, state, or local rules

        4. The lack of capability within the company to meet learning demands

5. The desire to access best training practices
D. Reasons companies do not outsource their training:
1. The inability of outsourcing providers to meet company needs
2. Companies' desire to maintain control over all aspects of training and development, especially delivery and learning content
E. Any decision to outsource training is complex.
F. Training functions that do not add any value to the company are likely candidates for outsourcing.
G. Many companies have training functions that do add value to the business but still may not be capable of meeting all training needs.

Chapter Summary

For the training function to be effective, it must be linked to the company's strategic plan, so an understanding of company structure, conditions and strategy is essential. This chapter provided a solid understanding of the work roles of employees, managers and executives. It presented organizational characteristics that have implications for training and described how training aligns with the other human resource functions. Attention was given to the role of training in companies and how that role is evolving. Further, major company strategies were described, as were the respective training implications. Descriptions of the various approaches to organizing the training function within companies (i.e., training models) were also provided, along with a discussion of the advantages and disadvantages of each. Finally, the importance of internal marketing of the training function, and decisions involving outsourcing of the training function were provided. This chapter illustrated the context within which the training function must exist and which it must support to be effective. Without this context, the student's knowledge of training and development would be quite incomplete.

Discussion Questions

1. How would you expect the training activities of a company that is dominant in its product market to differ from those of a company that emphasizes research and development?

   Answer: The company that is dominant in it product market, such as American Express, wants to maintain customer loyalty. The focus is on training new employees in an eight-week training program to build and solidify the customer base. There is another two weeks of training each year including classroom and web based training on subjects such as new products or changes in security regulations. Online training modules are used to teach computer skills such as how to use a new software product or how to reduce the number of screens a representative must go through to retrieve a particular piece of information.

   Consider a pharmaceutical company (a company that emphasizes research and development) which includes many different employee groups including scientists (knowledge-based workers), lab technicians (job-based workers), secretarial and administrative staff (contract employees), and legal advisers (alliance/ partnerships). Because knowledge-based employees

posses valuable and unique skills, the company is expected to invest heavily in training and developing them, especially in developing skills specific to the company's needs. Job-based employees are likely to receive less training than knowledge-based employees because although they create value for the firm, they are not unique. If they receive training, it would tend to focus on skills that they need to perform their jobs. Their development opportunities will be limited unless they have been identified as outstanding performers. The training for contractual workers likely would be limited to ensuring that they comply with company policies and legal or industry-based licensure and certification requirements. Because they are not full-time employees of the company but provide valued services, training for alliance/partnership employees tends to focus on encouraging them to share their knowledge and using team training and experiential exercises designed to develop their trust and relationships with job-based and knowledge-based employees. (p. 72; 83)

2. What do you think is the most important organizational characteristic that influences training? Why?

    Answer: The CEO of the company or top management plays a key role in determining the importance of training. A few of the reasons are he has the vision, resources, and commitment for strategic learning. He reviews goals and objectives to measure training effectiveness and serves as a role model by demonstrating a willingness to learn. New learning programs are also developed by the CEO. He promotes the company's commitment to learning by advocating it in speeches, annual reports, interviews, and other public relations tools. He serves as a faculty by teaching programs or by providing resources online. (p. 78)

3. Why could the business-embedded model be considered the best way to organize the training function?

    Answer: The business-embedded (BE) model is best for organizing the training function. In the BE model, all persons who are involved in the training process communicate and share resources, offer a menu of learning options, and deliver training at the work site. An important characteristic of the BE model is its customer focus which gives it an edge over other models. The number of trainers in BE training functions varies according to the demand for products and services. The trainers not only have specialized competencies (e.g., instructional design) but can also serve as internal consultants and provide a wide range of services (e.g., needs assessment, content improvement, customization of programs, results measurement). (p. 93-94)

4. Sheming-Plough HealthCare Products Inc decided several years ago to expand its product lines by developing pocket-size stick and sprays of coppertone sunblocks, previously only available as a lotion packaged in squeeze bottles. The company placed a strategic emphasis on developing markets for this product. The company knew from market research studies that its coppertone customers were already using the product in its original squeeze container to prevent sun burn. Due to increased awareness of the dangers of excessive skin exposure, customers who had not previously used sunblock except when at the beach, were looking for a daily sunblock product. Company managers reasoned that their market could be expanded

significantly if the product were repackaged to fit conveniently in consumers' pockets, purses, and gum bags. Identify the business strategy. What training needs result from this strategy? What are the training implications of this decision for (1) manufacturing and (2) the sales force?

Answer: The business strategy adopted is internal growth strategy. Companies focusing on internal growth strategy focus on modifying existing products and creating new or different products. High-quality communication of product value and conflict negotiation skills can be implemented for the sales force.
Key issues:
  Creation of new jobs and tasks
  Innovation Talent
Management Training
Implications:
High-quality communication of product value
  Development of organizational culture that values creative thinking and
  analysis Technical competence in jobs
  Manager training in feedback and
  communication Specialized programs
  Interpersonal skill training
  On-the-job training (p. 85)

5. Which strategic training and development initiatives do you think all companies should support regardless of economic conditions? Why?

Answer: Students' answers will vary. The strategic training and development initiatives vary by company depending on a company's industry, goals, resources, and capabilities. Improving customer service is the strategic training and development initiative that all companies should support regardless of economic conditions. Its implications include:
Ensuring that employees have product and service knowledge
Ensuring that employees have skills needed to interact with customers
Ensuring that employees understand their roles and decision-making authority

Also, to provide better customer service to suppliers, vendors, and consumers, companies need to distribute information about how to use the products and services they offer. Companies are beginning to train suppliers to ensure that the parts that suppliers provide will meet their customers' quality standards. (p. 69-70)

6. Are any of the strategic training and development initiatives more important for small business? Explain.

Answer: Students' answers will vary. Capturing and sharing knowledge ensures that important knowledge about customers, products, or processes is not lost if employees leave the company. Also, giving employees access to knowledge that other employees have may quicken response times to customers and improve product and service quality.

Providing development opportunities and communicating with employees includes ensuring that employees have product and service knowledge, employees have skills needed to interact with customers, they understand their roles and decision-making authority, and ensuring that employees have opportunities to develop. Ensuring that training and development addresses employees' needs in current job as well as growth opportunities also becomes important in small businesses. (p. 69)

7. How can a training function support a business strategy?

Answer: There are both direct and indirect links between training and business strategy and goals. Training that helps employees develop the skills needed to perform their jobs directly affects the business. Giving employees opportunities to learn and develop creates a positive work environment, which supports the business strategy by attracting talented employees, as well as motivating and retaining current employees.

Business strategy has a major impact on the type and amount of training that occurs and whether resources (money, trainers' time, and program development) should be devoted to training. Also, strategy influences the type, level, and mix of skills needed in the company. Strategy has a particularly strong influence on determining the following:
The amount of training devoted to current or future job skills
   The extent to which training is customized for the particular needs of an employee or is developed based on the needs of a team, unit, or division
   Whether training is restricted to specific groups of employees (such as persons identified as having managerial talent) or open to all employees
   Whether training is planned and systematically administered, provided only when problems occur, or developed spontaneously as a reaction to what competitors are doing
   The importance placed on training compared to other human resource management (HRM) practices such as selection and compensation (p. 60-61)

8. How does the strategic value of jobs and their uniqueness influences how training and learning resources are invested?

Answer: A strategic consideration affecting how companies invest its training and development resources across employment configurations or different types of employees is the strategic value of jobs and their uniqueness. One distinction that some companies make is in training and development activities for managers and individual contributors. Managers may receive development opportunities such as job experiences and international assignments that individual contributors do not because they are being evaluated and prepared for leadership positions in the company.

This results in four types of employees: knowledge-based workers (high value and uniqueness), job-based employees (high value and low uniqueness), contract employees (low value and low uniqueness), and alliance/partnerships (high uniqueness and low value). Because knowledge-based employees posses valuable and unique skills, the company is expected to invest heavily in training and developing them, especially in developing skills

specific to the company's needs. Job-based employees are likely to receive less training than knowledge-based employees because although they create value for the firm, they are not unique. If they receive training, it would tend to focus on skills that they need to perform their jobs. Their development opportunities will be limited unless they have been identified as outstanding performers. The training for contractual workers likely would be limited to ensuring that they comply with company policies and legal or industry-based licensure and certification requirements. Because they are not full-time employees of the company but provide valued services, training for alliance/partnership employees tends to focus on encouraging them to share their knowledge and using team training and experiential exercises designed to develop their trust and relationships with job-based and knowledge-based employees. (p. 82-83)

9. What is human capital? How is human capital influencing the changing role of training from skill and knowledge acquisition to creating and sharing knowledge?

    Answer: Human capital includes cognitive knowledge (know what), advanced skills (know how), system understanding and creativity (know why), and self-motivated creativity (care why). Traditionally, training has focused on cognitive and advanced skills. But the greatest value for the business may be created by having employees understand the manufacturing or service process and the interrelationships between departments and divisions as well as motivating them to deliver high-quality products and services. To create and share knowledge, companies have to provide the physical space and technology (e-mail, Web sites) to encourage employee collaboration and knowledge sharing. (p. 64)

10. How could SWOT analysis be used to align training activities with business strategies and goals?

    Answer: SWOT analysis involves an analysis of the company's operating environment to identify opportunities and threats as well as an internal analysis of the company's strengths and weaknesses including people, technology, and financial resources. After completing the SWOT analysis, the company (usually managers involved in strategic planning) has all the information it needs to consider how to compete, generate several alternative business strategies and make a strategic choice.

    To contribute to a company's business strategy (strategic choice), it is important that the training function understand and support it and provide value to its customers. Linking training plans to business plans is important because business plans describe company priorities (plans or initiatives) and include descriptions of who will be involved, the context and how it might affect the plan, how the plan will be carried out (operations), and what decisions have to be made, including those involving training and development, to increase the likelihood that the plan will succeed. SWOT analysis helps achieving the above. (p. 67)

11. What are the training implications of the increased use of teams to manufacture products or provide services?

    Answer: If companies are using teams to manufacture goods and provide services, team members need training in interpersonal problem solving and team skills (like how to resolve conflicts, give feedback). The roles and duties of managers in companies that use high-performance work systems include managing alignment, coordinating activities, facilitating decision making process, encouraging continuous learning, and creating and maintaining trust.

    Team members may also receive training in skills needed for all positions on the team (cross training), not just for the specific job they are doing. To encourage cross training, companies may adopt skill-based pay systems, which base employees' pay rates on the number of skills they are competent in rather than what skills they are using for their current jobs. (p. 77)

12. How would you design a corporate university? Explain each step you would take.

    Answer: Creating a corporate university from scratch involves several steps:
    First, senior managers and business managers form a governing body with the responsibility of developing a vision for the university.
    Second, this vision is fleshed out, and the vision statement is linked to the business strategy.
    Third, the company decides how to fund the university. The university can be funded by charging fees to business units and/or by monies allocated directly from the corporate budget.
    Fourth, the company determines the degree to which all training will be centralized. Many universities centralize the development of a learning philosophy, core curriculum design, and policies and procedures related to registration, administration, measurement, marketing, and distance learning. Local and regional on-site delivery and specialized business-unit curriculum are developed by business units.
    Fifth, it is important to identify the needs of university "customers," including employees, managers, suppliers, and external customers.
    Sixth, products and services are developed. The client-relationship manager works with the business units to identify their needs. The subject-matter expert identifies the skill requirements for meeting those needs. The learning manager recommends the best mix of learning, including classroom training and training based on, say, the web or CD-ROM.
    Seventh, the company chooses learning partners, including suppliers, consultants, colleges, and companies specializing in education.
    Eighth, the company develops a strategy for using technology to train more employees and do so more frequently and more cost-effectively than instructor-led training.
    Ninth, learning that occurs as a result of a corporate university is linked to performance improvement. This involves identifying how performance improvement will be measured (tests, sales data, etc.).

Finally, the value of the corporate university is communicated to potential "customers."
  Questions about the types of programs offered, how learning will occur, and
  how employees will enroll are addressed. (p. 92-93)

13. What are the advantages and disadvantages of a centralized training function?

    Answer: Advantages – (1) ownership of training to one organization; (2) elimination of course
    and program variation and duplication; (3) stronger alignment with business strategy;
    (4) allows development of a common set of metrics or scorecards to measure and report
    rates of quality and delivery; (5) helps to streamline processes; (6) cost advantage in
    purchasing training from vendors and consultants because of the number of trainees who
    will be involved; and (7) helps integrate programs for developing leaders and managing
    talent with training and learning during times of change.

    Disadvantages – (1) top managers still believe they are in control of the training function and
    that the training function is aligned with the business strategy; (2) centralized training
    functions must be in touch with the unique needs of the functions and divisions they
    serve.(p. 88)

14. What factors should a company consider in deciding whether to outsource its entire
    training function? Are the considerations different if the company wants to outsource a
    training program? Explain.

    Answer: Outsourcing refers to the use of an outside company (an external services firm) that
    takes complete responsibility and control of some training or development activities or that
    takes over all or most of a company's training including administration, design, delivery, and
    development. The factors a company considers while outsourcing are: costs, time, quality,
    and control. Any decision to outsource training is complex. Training functions that do not
    add any value to the company are likely candidates for outsourcing. Many companies have
    training functions that do add value to the business but still may not be capable of meeting
    all training needs. Company satisfaction with the outsourcing of training and development
    depends on company-supplier trust (e.g., managers of both the company and the outsource
    provider are loyal to each other and look out for each other's interests) and the specificity of
    the contract (e.g., whether the contract clearly outlines responsibilities) also become
    important. (p. 100-102)

15. What is a training "brand"? Why is it important? How does it relate to marketing the
    training or learning function in an organization?

    Answer: A brand includes the look and feeling of the training function that is used to create
    expectations for its customers. The brand is used to acquire and retain customers. The training
    function also needs to develop its own strategy and communicate it to its customers. The strategy
    should include what products and services it plans to offer, how training requests will be handled
    and by whom, how it will demonstrate partnerships with other departments and business units in
    the company, and the service level that it intends to provide

to customers. Service before, during, and after training, development, or other learning initiatives needs to be considered. The training function strategy should be aligned with and contribute to the business strategy. (p. 99)

16. What does "change" have to do with training and learning? What four change related problems need to be addressed for a new training program to be accepted by employees?

Answer: Change involves the adoption of a new behavior or idea by a company. There are many reasons why companies are forced to change, including the introduction of new technology, the need to better take advantage of employee skills and capitalize on a diverse workforce, or the desire to enter global markets. For training and development programs and learning initiatives to contribute to the business strategy, they must be successfully implemented, accepted, and used by customers (including managers, executives, and employees).

The four change-related problems that need to be addressed before implementation of any new training practice are resistance to change, loss of control, power imbalance, and task redefinition Resistance to change refers to managers' and employees' unwillingness to change. Managers and employees may be anxious about change, feel that they will be unable to cope, value the current training practice, or do not understand the value of the new practice. Control relates change to managers' and employees' ability to obtain and distribute valuable resources such as data, information, or money. Changes can cause managers and employees to have less control over resources. Change can also give managers and employees control over processes that they have not previously been involved in (e.g., choosing which training programs to attend). Power refers to the ability to influence others. Managers may lose the ability to influence employees as employees gain access to databases and other information, thus getting more autonomy to deliver products and services. Employees may be held accountable for learning in self-directed training. Web-based training methods, such as task redefinition, create changes in managers' and employees' roles and job responsibilities. Employees may be asked not only to participate in training, but also to consider how to improve its quality. Managers may be asked to become facilitators and coaches. (p. 95-97)