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Chapter Two
Strategic Training

This chapter provides an in-depth treatment of how training should be aligned with the strategic goals of an organization to help it achieve a competitive advantage. The chapter begins by discussing how training can be strategic along with a discussion of the evolution of the training function. It proceeds to discuss learning as a strategic focus, the strategic training and development process, and organizational characteristics that influence training, and training needs in different strategies. The chapter concludes by addressing different models of organizing the training department, how to create a training brand, and the advantages and limitations of outsourcing training. For training to help a company gain a competitive advantage, it must be aligned with its strategic focus. If training is not tied to business strategy, then its existence may be tenuous and perhaps unjustified.

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. Explain a corporate university and its benefits.
7. Discuss the strengths of a business-embedded learning function.
8. Discuss how to create a learning or training brand and why it is important.
9. Develop a marketing campaign for a training course or program.

INTRODUCTION

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 future. There are both direct and indirect links between training and business strategy and goals. Business strategy has a major impact on the type and amount of training that

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occurs and whether resources should be devoted to training. Strategy has a particularly strong impact on determining:

- the amount of training devoted to current or future job skills
- the extent to which training is customized
- whether training is restricted to specific groups of employees or open to all individuals
- whether training is planned and systematic versus developed spontaneously and haphazardly
- the importance of training relative to other HRM functions

As more companies recognize the strategic importance of learning, the role of training is changing. Training has evolved from a focus on a single learning program or event to a broader set of integrated learning activities that may continue in the future. Along the same lines, training evaluation is now more concerned with whether it impacts the "bottom line," not just whether trainees have learned new knowledge and skills. 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. However, these single training activities will need to be a part of a larger strategic training system.

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LEARNING AS A STRATEGIC FOCUS

The Learning Organization

Learning organization is a term for a company that has an enhanced capacity to learn, adapt, and change. 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. However, tacit knowledge developed through experiences and shared with others is more difficult to imitate. As such, tacit knowledge is more fundamental to enhance competitive advantage. Key features of a learning organization include a supportive learning environment, learning processes and practices, and reinforcement of learning by managers.

Implications of Learning for Human Capital Development

The emphasis on learning has several implications.

- Learning has to be related to helping employees' performance improve and helping the company achieve its business goals.
- Unpredictability in the business environment will continue to be the norm.
- Companies need to support informal learning because tacit knowledge is difficult to acquire in training programs.
- Learning has to be supported not only with physical and technical resources but also psychologically.
- Managers need to understand employees' interests and career goals to help them find suitable development activities that will prepare them for future success.

THE STRATEGIC TRAINING AND DEVELOPMENT PROCESS

The strategic training and development process involves four steps:

- Identify the organization's business strategy
- Determine strategic training initiatives that align with this strategy
- Translate these initiatives into concrete learning activities
- Identify metrics to determine whether training has contributed to goals related to the business strategy

Identify the Business Strategy

Strategic training begins with the knowledge of an organization's business strategy. Formulating a business

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strategy involves several interrelated steps.

- Determine the company's mission—the company's reason for existing
- Establish company goals—what the company hopes to achieve
- Perform an external and internal analysis, which is known as a SWOT.
  A SWOT analysis consists of an internal analysis of strengths and weaknesses and an external analysis of opportunities and threats that currently exist or are anticipated.
- Determine strategic choice based on the company's mission, goals, strengths, weaknesses, opportunities, and threats.

Identify Training Initiatives that Support the Strategy

Strategic training initiatives are learning-related actions that a company should take to help it achieve its business strategy. The initiatives are based on the business environment, an understanding of the company's goals and resources, and insight regarding potential training options. There is a tendency for a disconnect between strategy and execution. Accordingly, learning professionals must reach out to managers to ensure alignment and garner necessary resources and support.

Strategic training initiatives provide a road map to guide specific training activities and articulate how the training function will help the company reach its goals. Common strategic initiatives include:

- Diversify the learning portfolio—provide more training than traditional programs
- Expand who is trained—provide more training to more groups of employees
- Accelerate the pace of learning—provide more just-in-time training
- Improve customer service—training should place a greater emphasis on service competencies
- Provide development opportunities and communicate with employees—ensure employees recognize they have opportunities to learn and grow
- Capture and share knowledge—capture and share knowledge to ensure it is not lost if key employees leave
- Align training with the company's direction—link training to strategy
- Ensure that the work environment supports learning and transfer of training—ensure there exists a positive learning climate for training

Questions to ask in developing strategic training initiatives include:

- What is the vision and mission?
- What capabilities and competencies are critical for success?
- What types of training will best attract, develop, and retain employees?
- Does the company have a plan for making sure the link between training and business strategy is communicated to key constituents?
- Does senior management support training?

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- Does the company provide training for individuals and teams?

Provide Activities Linked to Initiatives

The next step in the process is to determine specific, concrete activities that align with the strategic initiatives. Such activities will vary based on the initiatives that were developed.

Identify and Collect Metrics to Show Training Success

The final step of the strategic training process is to determine if training investments were successful in helping an organization achieve its goals and objectives. Strategic training evaluation is not intended to evaluate the effectiveness of an isolated training program, but rather the value of a set of training activities. The business-related outcomes examined 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. 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 (such as training) from the perspective of internal and external customers, employees, and shareholders. The balanced scorecard considers four different perspectives:

- Customer (time, quality, performance, service, cost)
- Internal business processes (processes that influence customer satisfaction)
- Innovation and learning (operating efficiency, employee satisfaction, continuous improvement)
- Financial (profitability, growth, shareholder value)

ORGANIZATIONAL CHARACTERISTICS THAT INFLUENCE TRAINING

Roles of Employees and Managers

Traditionally, employees' roles were to perform their jobs according to the managers' directions. 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, such as hiring, scheduling work, and interaction with customers and suppliers. As such, employees require greater expertise.

Given the greater prevalence of teamwork, employees may require more cross training and training in interpersonal skills.

Managers' jobs are highly complex, requiring training and a high level of skill. For example, they must:

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- develop employees and encourage continuous learning
- plan and allocate resources
- coordinate activities and interdependent teams
- manage team performance
- facilitate individual and team decision-making processes
- create and maintain trust
- represent one's work group to others

Top Management Support

Top management plays a key role in determining the importance placed on training and learning. Top management may assume any of the following roles:

- setting a clear direction for learning
- providing encouragement and resources
- taking an active role in governing learning
- developing or teaching new programs
- serving as a role model by demonstrating a willingness to learn
- promoting learning through various communication channels

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 locations near overseas operations.

Business Conditions

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 talent.

For companies in unstable business environments, characterized by mergers, acquisitions or disinvestments of businesses, training may be left up to managers and become short-term oriented.

For companies experiencing growth, training may be in greater demand among employees who want to qualify themselves for lateral job moves and promotions.

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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

Companies that adopt state-of-the-art HRM practices that link 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.

Staffing strategy refers to a company's philosophy regarding where to find employees, how to select them, and the desired mix of employee skills and statuses (temporary, fulltime, etc.). Companies vary on such issues as the extent to which they rely on the internal labor market (i.e., current employees) versus the external labor market (i.e., job applicants from outside the company). Companies also vary on the extent to which they make promotion and job assignment decisions based on individual performance versus group or unit performance. These two dimensions can be crossed, resulting in four distinct companies.

- Fortress (external, group focus)—companies with limited resources for training that tend to recruit from the outside
- Baseball team (external, individual focus)—companies that require innovation and creativity; recruit from other companies or new graduates with specialized skills
- Club (internal, group focus)—companies in highly regulated industries that rely on developing their own talent
- Academy (internal, individual focus)—companies that require specialized skill and focus on developing their individual employees

Strategic Value of Jobs and Employee Uniqueness

Uniqueness refers to the extent to which employees are rare, specialized, and not highly available in the labor market. Strategic value refers to employee potential to improve company effectiveness and efficiency. These dimensions can be crossed to characterize four types of employees:

- Knowledge-based workers (high value and uniqueness)—require heavy training
- Job-based employees (high value and low uniqueness)—require less training than knowledge workers
- Contract employees (low value and low uniqueness)—require limited training
- Alliance/partnerships (high uniqueness and low value)—training would focus on sharing expertise and team training

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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. Given that unions have a significant impact on HRM practices, they must be involved in determining strategic training priorities.

Staff Involvement in Training and Development

Managers need to be involved so that training stays related to business needs and training transfer can be supported. Managers become more involved in the training process if they are rewarded for participating. 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.

TRAINING NEEDS IN DIFFERENT STRATEGIES

A **concentration** strategy focuses on increasing market share, reducing costs, or creating and maintaining a market niche for products and services. Key human capital issues include: skill currency and the development of the existing workforce.

An **internal growth** strategy focuses on new market and product development, innovation, joint ventures, mergers, and globalization. Key human capital issues include: creation of new jobs and tasks, innovation, and talent management.

An **external growth** strategy focuses on acquiring vendors and suppliers or buying businesses to enable the company to expand into new markets. Key human capital issues include: integration, redundancy, and restructuring.

A **disinvestment** strategy focuses on retrenchment, turnaround, divestiture, and liquidation of businesses. A key human capital issue is efficiency.

MODELS OF ORGANIZING THE TRAINING DEPARTMENT

Centralized Training

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. There are several advantages of centralization.

- It helps drive stronger alignment with business strategy.

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- It allows development of a common set of metrics or scorecards to measure and report rates of quality and delivery.
- 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.
- It helps companies better integrate programs for developing leaders and managing talent with training during times of change.

The Corporate University Model (Corporate Training Universities)

This model of organizing the training function includes, employees, managers, and stakeholders outside the company, including community colleges, universities, and high schools. Corporate universities are designed to align with the strategic initiatives of the corporation.

There are several historical training problems:

- Excessive costs
- Poor delivery and focus
- Inconsistent use of training practices
- Best training practices not shared
- Training not integrated or coordinated

The corporate university model provides many training advantages:

- Dissemination of best practices
- Alignment of training with business needs
- Integration of training initiatives
- Effective use of new technology and methods
- Clear vision and mission
- Evaluation of learning focused on employee and business results
- Partnership with academia

The following are the steps involved in creating a corporate university:

- A governing body is formed by senior managers
- A vision statement is developed
- Funding sources are determined
- The degree to which all training will be centralized is assessed
- The needs of the university customers are identified
- Products and services are developed.
- Learning partners are selected
- Technologies to train employees more effectively are developed

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- Learning is linked to performance improvement.
- The value of the corporate university is communicated to potential customers

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Business-Embedded (BE) Learning Function

The BE learning function is characterized by five competencies: strategic direction, product design, structural versatility, product delivery, and accountability for results. It views trainees, managers, and senior-level decision makers as customers of training.

The most noticeable feature of a BE learning function is its structure. In BE learning functions all persons who are involved in the training process communicate and share resources. Trainers—who are responsible for developing training materials, delivering instruction, and supporting trainees—work together to ensure that learning occurs. Trainers not only have specialized competencies, but also can serve as internal consultants by providing a range of services, such as needs assessment, content improvement, and the like.

There is an increasing trend for the training function to be organized by a blend of the BE with centralized training that often includes a corporate university. This approach allows the company to gain the benefits of centralized training, but at the same time ensures 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

Change involves the adoption of a new behavior or idea. 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, and the desire to enter global markets. 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.

Four change-related problems need to be addressed before the implementation of any new training practice. These four change-related problems include: resistance to change, loss of control, power imbalance, and task redefinition.

- Resistance to change refers to employees' unwillingness to change.
- Control relates to employees' ability to obtain and distribute valuable resources. Changes can cause employees to have less control over resources.
- 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.
- Task redefinition relates to changes in roles and job responsibilities. Employees may not only be asked to participate in training, but also take on new responsibilities.

MARKETING TRAINING AND CREATING A BRAND

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Despite its value, some individuals may not necessarily value training. As such, training often needs to be marketed so that key constituents value learning. Internal marketing involves making employees and managers excited about training and learning. It is especially important for trainers who act as internal consultants to business units. A variety of internal marketing tactics, include:

- Involving the target audience in developing the training or learning effort.
- Demonstrating how a training and development program can be used to solve specific business needs.
- Showing an example of how training has been successfully used to solve specific business needs in the past.
- Identifying a "champion" who actively supports training.
- Listening and acting on feedback received from clients, managers, and employees.
- Advertising on e-mail, on company Web sites, and in employee break areas.
- Designating someone in the training function as an account representative who will interact between the training designer and the "customer."
- Determining what financial metrics top-level executives are concerned with and showing how training will help improve these.
- Speaking in terms that employees understand—avoid technical jargon.

OUTSOURCING TRAINING

Business process outsourcing refers to the outsourcing of any business process, such as production, call center operations, and HRM functions. Outsourcing of training refers to the use of an outside company that takes complete responsibility for and control of training activities, including administration, design, delivery, and development. Companies may outsource training for a variety of reasons:

- Cost savings
- Time savings that allow a company to focus on business strategy
- Improvements in compliance with training mandated to comply with federal, state, or local rules
- The lack of capability within the company to meet learning demands
- The desire to access best training practices

However, companies may not outsource training due to an inability of outsourcing providers to meet company needs and the desire to maintain 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

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training needs. Thus, certain aspects of training may be outsourced. Even when training is outsourced, it must be strategically aligned with the business goals and objectives.

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?

   A company that is dominant is the product market may likely adopt an "academy" model that involves developing current employees to fill new positions and managerial roles. However, a company that is more focused on research and development may likely adopt a "baseball team" model by luring employees away from competitors or by hiring graduating students with specialized skills. These companies are more apt to "buy skills" as opposed to "making them." Furthermore, companies with a dominant market share likely focus on efficiencies; whereas research and development companies focus on innovation and creativity.

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

   Student answers will vary. However, while numerous organizational factors may impact the training function, top management likely plays the most significant role because top management provides the overall architecture and support for the training function. Top management may assume a variety of roles in support of training, including:
   - setting a clear direction for learning
   - providing encouragement and resources
   - taking an active role in governing learning
   - developing or teaching new programs
   - serving as a role model by demonstrating a willingness to learn
   - promoting learning through various communication channels

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

   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, but can also serve as internal consultants,

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providing a wide range of services (e.g., needs assessment, content improvement, customization of programs, results measurement).

4. Schering-Plough HealthCare Products decided several years ago to expand its product lines by developing pocket-size sticks 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 gym 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?

   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. According to the text, the key issues and training implications for this strategy include the following:

   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
   - Specialized programs

   In this particular context, innovation and creativity would be particularly important.

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

   Common strategic initiatives include:

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- Diversity the learning portfolio—provide more training than traditional programs
- Expand who is trained—provide more training to more groups of employees
- Accelerate the pace of learning—provide more just-in-time training
- Improve customer service—training should place a greater emphasis on service competencies
- Provided development opportunities and communicate with employees—ensure employees recognize they have opportunities to learn and grow
- Capture and share knowledge—capture and share knowledge to ensure it is not lost if key employees leave
- Align training with the company's direction—link training to strategy
- Ensure that the work environment supports learning and transfer of training—ensure there exists a positive learning climate for training

Students answer will vary. It is important to flesh out "why" they believe specific initiatives are more important than others. Students could also consider which initiatives are more important in different industries and for different groups of employees.

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

   Students' answers will vary. In one respect, small businesses may need to "diversity the learning portfolio by providing more personalized learning opportunities and encouraging more informal learning. They may also need to "expand who is trained" by providing more learning opportunities for non-managerial employees. Furthermore, they may need to "capture and share knowledge" because key knowledge may be held by only a few individuals. Knowledge may be captured and shared in the event that key employees leave the organization.

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

   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. Certain competencies may be particularly important in organizations (innovation, creativity, service quality), and training may be central to enhancing them. Furthermore, giving employees opportunities to learn and develop creates a positive work environment, which supports the business strategy by attracting, motivation, and retaining key talent.

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

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Uniqueness refers to the extent to which employees are rare, specialized, and not highly available in the labor market. Strategic value refers to employee potential to improve company effectiveness and efficiency. These dimensions can be crossed to characterize four types of employees:

Highly valued and unique employees are known as *knowledge-based employees*. Because knowledge-based employees possess 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

Highly valued employees who are not unique are known as job-based employees. 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.

Employees with low value and uniqueness are known as contract employees. The training for contract workers likely would be limited to ensuring that they comply with company policies and legal or industry-based licensure and certification requirements.

Unique employees with low value are known as alliance/partnership employees. 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.

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?

   Human capital includes cognitive knowledge (know what), advanced skills (know how), system understanding and creativity (know why), and self-motivated creativity (care why).

   Human capital may be developed through both explicit and tacit knowledge. Explicit knowledge refers to knowledge that is well documented, easily articulated, and easily transferred from person-to-person. Examples of explicit knowledge include processes, checklists, flowcharts, formulas, and definitions. Tacit knowledge refers to personal knowledge based on individual experiences that is difficult to codify. Both types of knowledge are important, but tactic knowledge is commonly thought to be of greater strategic importance.

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Explicit knowledge can be taught through formal training programs, but tacit knowledge largely requires informal learning by sharing experiences with others. Informal learning requires that individuals interact with one another to share experiences, coach one another, and provide feedback. To help facilitate informal learning, companies have to provide the physical space and technology (e-mail, Web sites) to encourage employee collaboration and knowledge sharing.

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

    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. Armed with the information from the SWOT, training could help to improve any performance deficiencies and facilitate the development of additional strategic competencies.

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

    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).

    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.

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

    The following are the steps involved in creating a corporate university:
    - A governing body is formed by senior managers
    - A vision statement is developed
    - Funding sources are determined
    - The degree to which all training will be centralized is assessed
    - The needs of the university customers are identified
    - Products and services are developed.
    - Learning partners are selected
    - Technologies to train employees more effectively are developed

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- Learning is linked to performance improvement.
- The value of the corporate university is communicated to potential customers

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

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

    The most significant disadvantage is that the training function may not be in touch with the unique needs of different constituents.

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.

    The factors that could be considered include costs, time, quality, control, and trust of the training vendor. 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. The same considerations may apply when deciding whether to outsource a single program, but the decision to outsource in this instance is less of strategic importance.

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

    A brand includes the "look and feeling" of the training function that is used to ensure that training is valued by managers and employees. Marketing the training function is important to help create this "look and feel." A number of strategies discussed in the text include:

    - Involving the target audience in developing the training or learning effort.
    - Demonstrating how a training and development program can be used to solve specific business needs.
    - Showing an example of how training has been successfully used to solve specific business needs in the past.

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- Identifying a "champion" who actively supports training.
- Listening and acting on feedback received from clients, managers, and employees.
- Advertising on e-mail, on company Web sites, and in employee break areas.
- Designating someone in the training function as an account representative who will interact between the training designer and the "customer."
- Determining what financial metrics top-level executives are concerned with and showing how training will help improve these.
- Speaking in terms that employees understand—avoid technical jargon.

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?

    Change has relevance for training because it may help employees develop competencies relating to the forces of change. 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. In addition, training may be necessary to help overcome employee resistance to change. Employees may resist change, and training may help shape more favorable employee attitudes, when designed properly.

    The four key change-related problems include.

    - Resistance to change refers to employees' unwillingness to change.
    - Control relates to employees' ability to obtain and distribute valuable resources. Changes can cause employees to have less control over resources.
    - 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.
    - Task redefinition relates to changes in roles and job responsibilities. Employees may not only be asked to participate in training, but also take on new responsibilities.

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Suggested Answers for End of Chapter and Part cases for Noe, Employee Training and Development (7th edition)

End of Chapter Cases

Chapter 1: Zappos: Facing Competitive Challenges

What challenges is Zappos facing that may derail its attempt to be the best online retailer?

The challenges include selling other items besides shoes, challenges from other online retailers, preserving the workplace culture, finding talent, maintaining high quality customer service, using new technology (social media) and eliminating unnecessary steps in the service process (lean).

Some students who search the Internet for more information about Zappos may mention in their answer that recently, Zappos adopted a management philosophy, Holocracy, which eliminates managers and gives employees the freedom and responsibility to decide how to get their work done. Hseih's intent was to allow employees to act more like entrepreneurs and help stimulate new ideas which would benefit the business. However, employees are finding the new management system confusing and requiring them to spend more time in meeting. Also, they wonder how they will earn raises and advance their career without management jobs. Two hundred ten employees found the new philosophy so dissatisfying that they took three months of severance pay and left the company. Alternatively, instructors may want to assign the article below for students to read (an update to the case) before they answer the case questions.

R. Silverman, "Going Bossless Backfires at Zappos", Wall Street Journal, May 21, 2015, pp. A1,A10.

How can training and development help Zappos meet these challenges?

The answer should discuss how specific training and development activities help employees embrace Zappos ten core values. Train employees on how to “deliver WOW through service”, provide opportunities for growth and learning through training and development programs, train individuals in skills needed to work as a team (“build a positive team and family spirit”, train employees in “lean” quality techniques so they can “do more with less”. Socialize new employees to Zappos culture. Help employees understand career paths at Zappos and meet development needs so they can move along their career path.

Students may also mention Zappos Insight (see www.zapposinsights.com) . Zappos Insights is a department within Zappos created to share the Zappos culture with other companies. Zappos Insights provides programs about building a culture (3-Day Culture Camp), its WOW service

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philosophy (School of WOW), the power of a coaching-based culture (Coaching Event), how the human resources function protects the culture and how its programs support it (People Academy), and custom programs. The cost to attend these programs ranges from $2,000 to $6,000 for each attendee.

Zappos Insights allows the company training function to become a profit center through marketing and selling its programs to other companies.

Do you think that employees at Zappos have high levels of engagement?Why?

In Chapter 1 employee engagement is defined as "the degree to which employees are fully involved with their work and the strength of their commitment to their job and the company".

Yes, Zappos employees likely have high levels of engagement given the cultural values (e.g., fun, growth and learning, positive team spirit) free food, buyout of employees who are not happy working at the company, and use of monthly engagement surveys which provide results that are acted on.

Which of Zappos ten core values do you believe training and development can influence the most? The least? Why?

The values that seem to relate to employees personality (Be Humble, Be Passionate and Determined, Create Fun and a Little Weirdness) are least influenced by training and difficult to train, and in fact, are focused on in selecting new employees. Interview questions focus on finding employees who are creative and have strong individuality.

The values that training and development can most influence include Delivering Wow Through Service, Pursue Growth and Learning, Build Open and Honest Relationships with Communications, Build a Positive Team and Family Spirit, Embrace and Drive Change, and Do More With Less. For example, training employees in skills such as teamwork, change management, communications, and lean operations can help support the values. Also, providing developing opportunities such as through the availability of books supports the value of growth and learning.

Chapter 2: IBM Offers Training (and Pay Cuts) to Employees to Learn New Technologies

Do you believe this program is strategic? Why or Why not?

The program is strategic because its intent is to motivate employees to develop their skill set which will help IBM maintain its competitiveness through meeting changing clients needs, technologies, and markets (cloud and mobile computing and advanced data analytics).

Should employees salaries be reduced for the time they attend training programs? Provide a rationale for your answer.

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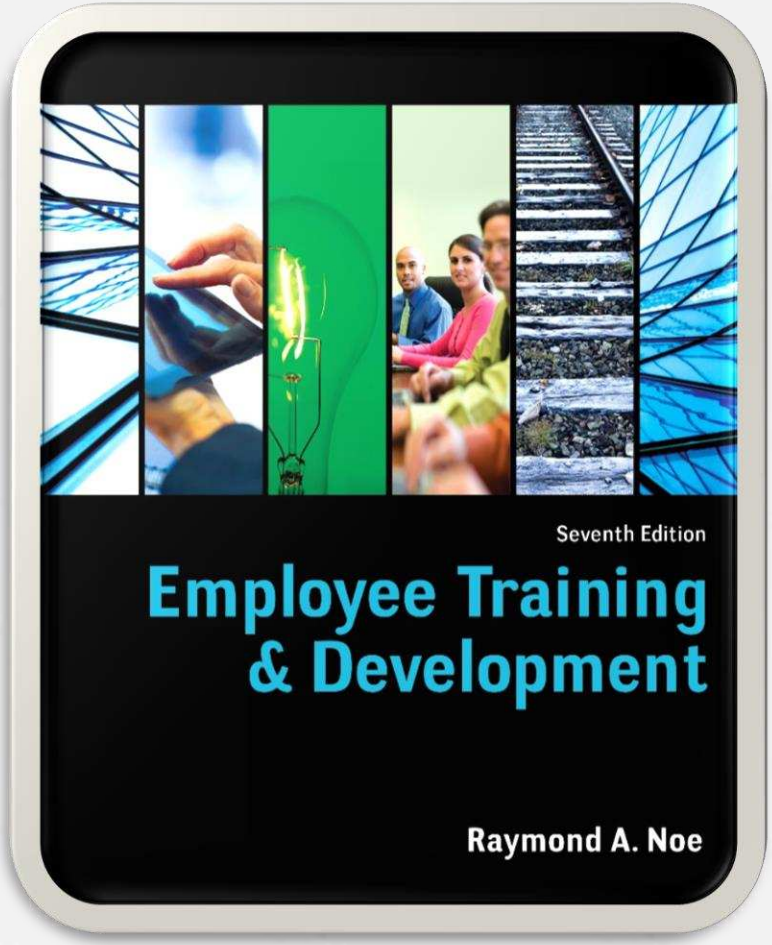

Chapter Two

Strategic Training

Objectives

- Discuss how business strategy influences the type and amount of training in a company
- Describe the strategic training and development process
- Discuss how a company's staffing and human resource planning strategies influence training

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Objectives

- Explain the training needs created by concentration, internal growth, external growth, and disinvestment business strategies
- Discuss the advantages and disadvantages of centralizing the training function
- Explain a corporate university and its benefits

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Objectives

- Discuss the strengths of a business-embedded learning function
- Discuss how to create a learning or training brand and why it is important
- Develop a marketing campaign for a training course or program

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Training is Strategic

- Training can have both a direct an indirect impact on organizational success
- Business strategy will shape the training function
  - Strategic impacts what gets trained, who gets training, and how much training is valued
- The role of training is evolving

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The Learning Organization

- A company that has:
  - an enhanced capacity to learn, adapt, and change
  - carefully scrutinized and aligned training processes with company goals
  - training as a part of a system designed to create human capital

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4 Steps of Strategic Training

- Identify the organization's business strategy
- Determine strategic training initiatives
- Translate initiatives into concrete learning activities
- Identify metrics and evaluate

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The Strategic Process

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1. Identify Business Strategy

- Determine the company's mission
- Establish goals
- Perform a SWOT—strengths, opportunities, weakness, and threats
- Determine strategic choice

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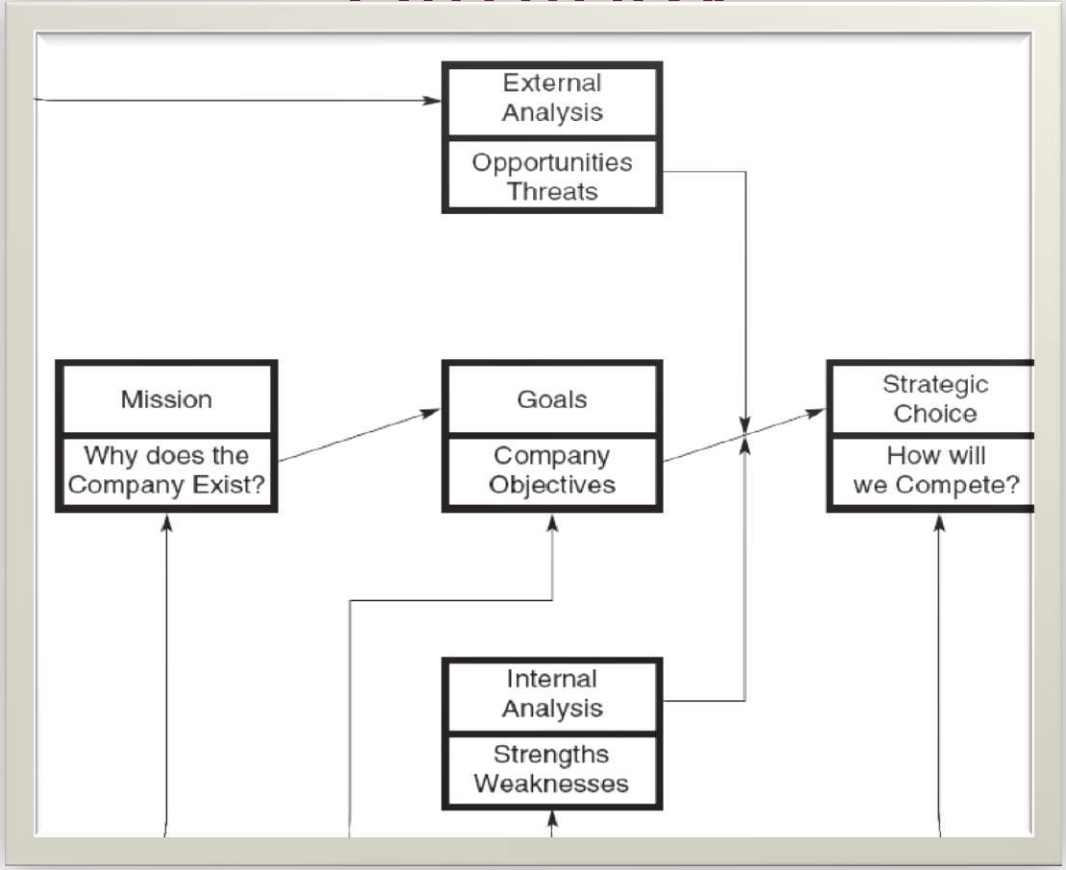
Formulating Business Strategy



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2. Determine Strategic Initiatives

- Learning-related actions that a company should take to achieve its business strategy
- A road map to guide specific training activities
- *Avoid the disconnect between strategy and execution*

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Common Strategic Initiatives

- Diversify the learning portfolio
- Expand who is trained
- Accelerate the pace of learning
- Improve customer service
- Capture and share knowledge
- Ensure the work environment supports learning and transfer of training

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Questions to Ask

- What is the vision and mission?
- What capabilities are critical for success?
- What types of training will best attract, develop, and retain employees?
- Is there a plan to communicate the link between training and strategy?
- Does senior management support training?

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3. Translate Initiatives to Activities

- The next step is to determine specific, concrete activities that align with strategic initiatives
- Such activities will vary based on the initiatives that were developed

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4. Identify Metrics & Evaluate

- The final step is to determine if training investments were successful
- Strategic training evaluation is not intended to evaluate the effectiveness of an isolated program, but a set of training activities
- The business-related outcomes examined should be directly linked to strategy and goals

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Balanced Scorecard

- Customer (time, quality, performance, service, cost)
- Internal business processes (processes that influence customer satisfaction)
- Innovation and learning (operating efficiency, employee satisfaction, continuous improvement)
- Financial (profitability, growth, shareholder value)

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Organizational Characteristics

- Roles of employees and managers
- Top management support
- Integration of business units
- Global presence
- Business conditions
- Other HRM practices
- Strategic value of jobs and employee uniqueness
- Unionization
- Staff involvement

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Roles of Employees & Managers

- Employees now performing roles once reserved for management
- Given the prevalence of teams, employees require more cross-training and interpersonal skills training
- Managers' jobs are highly complex, requiring greater skill and training

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Top Management Support

- Set a clear direction for learning
- Provide encouragement and resources
- Take an active role in governing learning
- Develop and teach new programs
- Serve as a role model
- Promote learning through different channels

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Integration of Business Units

- 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

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Global Presence

- For companies with global operations, training is needed to prepare employees for overseas assignments
- Companies must decide if training will be coordinated through a central U.S. facility or through satellite locations

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Business Conditions

- With low unemployment, it's difficult to find top talent
- In unstable environments, training may become short-term
- When there is growth, training will be in high demand

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Business Conditions

- When trying to revitalize and redirect, there are fewer incentives for training
- When downsizing, training may focus on continued employability

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Staffing Strategy & Training

- Fortress—limited resources for training; recruit from the outside
- Baseball team—creativity needed; recruit from other companies or new graduates
- Club—highly regulated industries; develop own talent
- Academy—specialized skills; heavy focus on developing employees

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Strategic Value & Uniqueness

- Knowledge-based workers—heavy training
- Job-based employees—less training than knowledge workers
- Contract employees—limited training
- Alliance/partnerships—sharing expertise and team training

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Extent of Unionization

- Presence of a union leads to joint union-management programs for preparing employees for jobs
- Given that unions have a significant impact on HRM practices, they must be involved in determining strategic training priorities
- Collaboration is key

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Staff Involvement

- Managers need to be involved so training links to business needs and transfer can be supported
- Managers will be more involved if they are rewarded for doing so
- +
- Employees now assume greater responsibility for planning their own development

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Training in Different Strategies

- Concentration Strategy
  - Skill currency and the development of the existing workforce
- Internal Growth Strategy
  - Creation of new jobs and tasks, innovation, and talent management

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Training in Different Strategies

- External Growth Strategy
  - Integration, redundancy, and restructuring
- Disinvestment Strategy
  - Efficiency

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Centralized Training

- There are several advantages:
  - Stronger alignment with strategy
  - Common set of metrics or scorecards to evaluate training
  - Streamlined processes
  - Better integration of programs to develop leaders
  - Easier to manage talent during times of change

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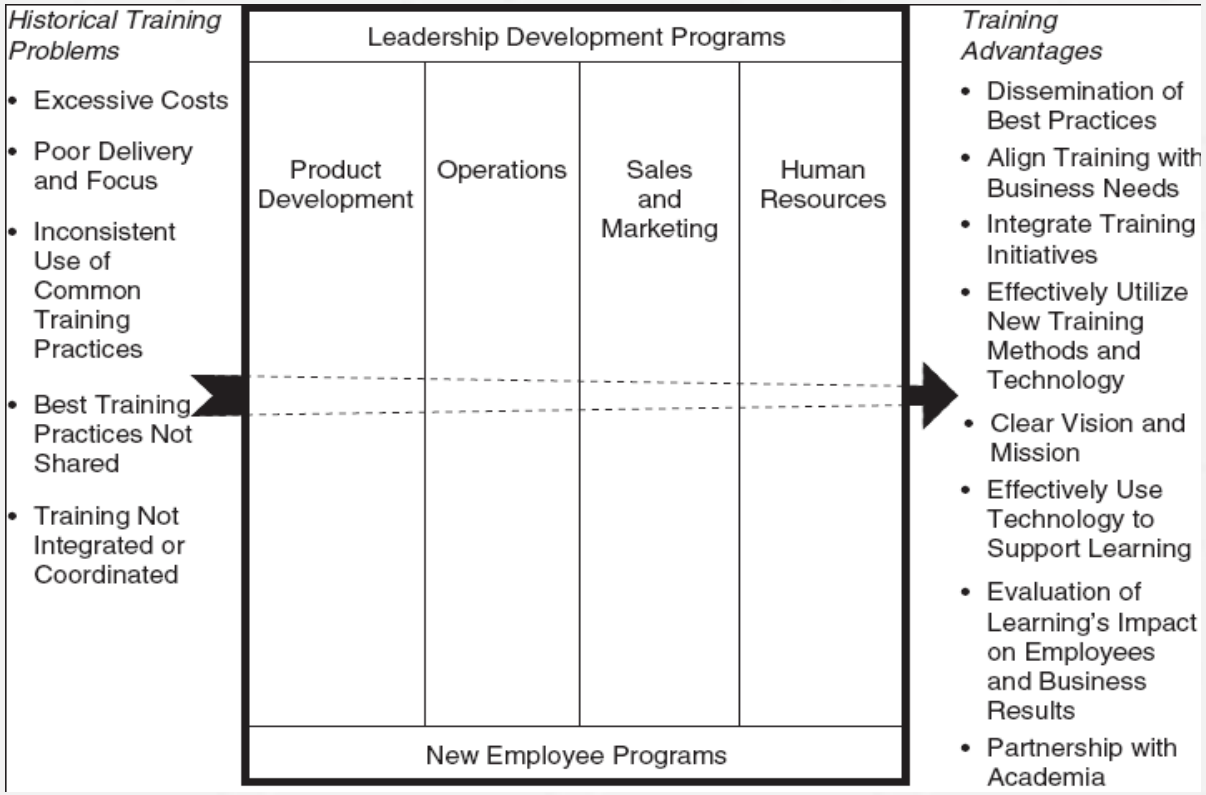
Corporate University Model



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Corporate University Model

- There are several advantages :
  - Dissemination of best practices
  - Alignment of training with business needs
  - Integration of training initiatives
  - Effective use of new technology and methods
  - Clear vision and mission
  - Evaluation of learning focused on employee and business results
  - Partnership with academia

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Business-Embedded Function

Strategic Direction
Broadly disseminates a clearly articulated mission
Recognizes that its customer base is segmented
Provides customized solutions to its clients' needs
Understands product life cycles
Organizes its offerings by competencies
Competes for internal customers

Product Design
Uses benchmarking and other innovative design
Implements strategies to develop products quickly
Involves suppliers strategically

Structural Versatility
Employs professionals who serve as product and classroom instructors, managers, and internal consultants
Uses resources from many areas
Involves line managers in determining the direction of the department's offerings and content

Product Delivery
Offers a menu of learning options
Delivers training at the work site

Accountability for Results
Believes that individual employees must take responsibility for their personal growth
Provides follow-up on the job to ensure that learning takes place
Considers the manager the key player in supporting learning
Evaluates the strategic effects of training and it's bottom-line results
Guarantees that training will improve performance

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Change Model Perspective

- Four change-related problems need to be addressed before the implementation of any new training practice.
  - Resistance to change
  - Loss of control
  - Power imbalance
  - Task redefinition challenges

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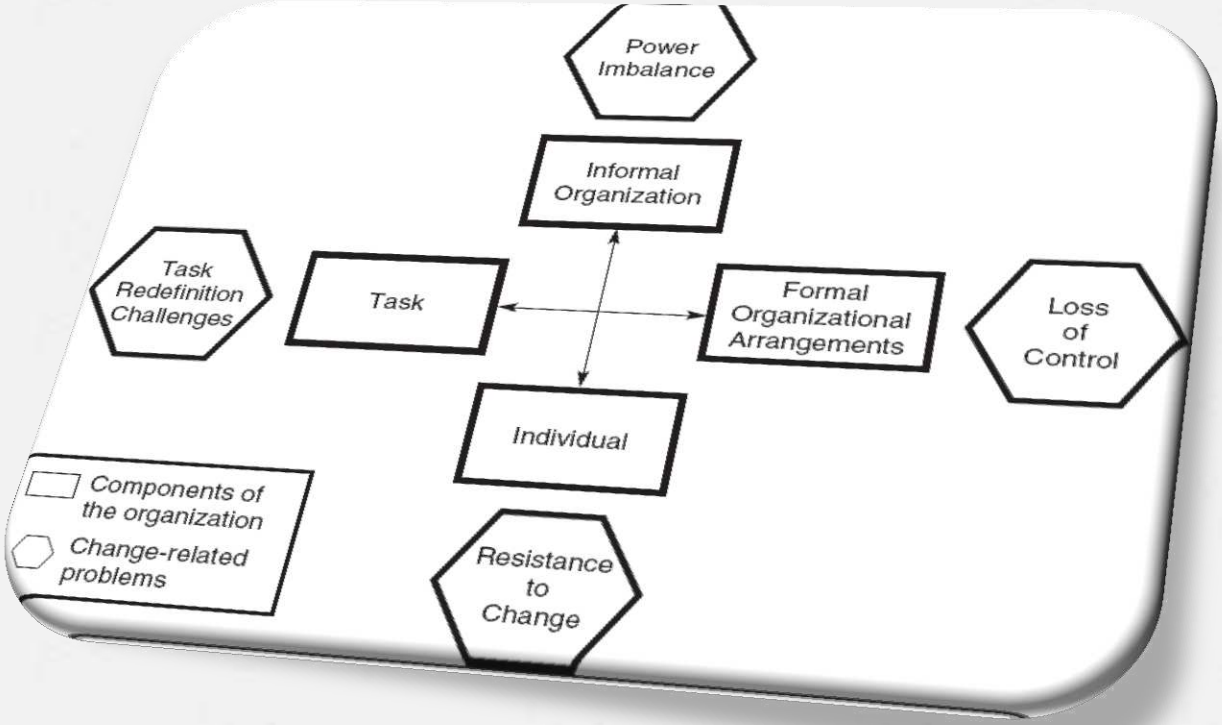
A Change Model



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Marketing Training

- Despite its value, some individuals may not necessarily value training
- Training often needs to be marketed so key constituents value learning
- Internal marketing involves making employees and managers excited about training and learning

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Internal Marketing Tactics

- Involve the target audience
- Demonstrate how training can solve business problems
- Show examples of previous successes
- Identify a “champion” who supports training
- Advertise through multiple channels
- Speak in terms employees understand

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Outsourcing Training

- Reasons for outsourcing:
  - Cost savings
  - Time savings that allow a company to focus on business strategy
  - Improvements in compliance with regulatory training
  - Lack of internal capability to meet learning demands
  - Desire to access best training practices

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Be Strategic

- Outsourcing may not necessarily be the solution
- Be sure to consider:
  - the skill set in question
  - resources and expertise
  - desire for control
  - the quality of the potential vendor
  - the importance of training in the organization

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