

The Seven Key Challenges Facing Training and Development

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There is increasing pressure on staff at banks and other organizations to perform quickly, perform well, and adapt to change in a heartbeat. No longer is skill development the only hat worn by trainers. And in addition to dramatic shifts in responsibilities and accountability, effective training and development functions are finding themselves an integral part of the organization's strategic planning.

In banks and other business organizations, few things change as much as the training and development function. Change can be seen from numerous perspectives, including the way programs are initiated, developed, designed, and delivered. The various individuals that comprise the process - from trainees to immediate managers, to professional staff, to senior management - are changing perspectives and paradigms on training and development.

Performance Resources Organization surveyed more than 2,000 practitioners and pulled additional data from literature searchers and workshops designed for senior training and development executives to determine the most important trends in the training and development field. The seven trends discussed in this article represent very difficult issues that have not been tackled appropriately in the past and are true challenges for all industries.

1. Measuring the Effectiveness and Efficiency of Training and Development in a Systematic Way

Although the training and development field has focused on program evaluation for many years, the full scope and emphasis of evaluation has shifted significantly. Most organizations now take a more systematic, logical, and strategic approach to their evaluation processes. One example is Nortel, a large global telecommunications company with 70,000 employees. Every program within Nortel's Learning Institute includes a plan to determine a specific level of evaluation. Routine impact studies are developed around important and critical programs and the results are reported regularly to senior managers. All Learning Institute staff members have been trained in the evaluation process. Detailed policies and procedures have been developed and a variety of documents have been created to help communicate evaluation philosophies, strategies, techniques, and objectives throughout the organization. Managers are included in all phases of the process, beginning with the needs assessment and concluding with review of the impact study results. Nortel serves as a model for what most organizations are pursuing today.

for evaluation of training and development programs has been extended to five levels.(1) Table 1 shows a modified model of the evaluation levels. The addition of the fifth level brings focus to the return on investment (ROI) of a program.

* Evaluation is built into the process whenever there are new programs. Evaluation begins with needs assessment for which specific measures and job performance needs are identified. Evaluation strategies are then developed along with the program objectives. Next, the program is designed, developed, and delivered with a focus on the desired outcome determined by application and

impact objectives. Finally, post-program data are collected to show the changing behavior and subsequent results and are reported to the management team. Some organizations have developed models with as many as 18 steps with 11 steps devoted to measurement evaluation(2).

* There must be a process to collect and measure post-program data. More organizations are conducting impact studies to show the actual value of training. These studies capture the application of the training, the business impact driven by training and the subsequent return on investment. A typical model will have the following steps:

* Collect post-program data using a variety of methods.

* Isolate the effects of training using one of several strategies.

* Convert the data to monetary values.

* Tabulate costs for the particular program.

* Calculate the return on investment.

* Identify the intangible benefits.

* Report results to the appropriate target audiences.

* Specific roles and responsibilities for evaluation are clearly defined. The duties of all members of the training and development staff are identified, including those who design and deliver programs. In addition, the participants, the immediate managers, senior managers, and top executives all have clearly defined roles in the comprehensive evaluation process.

* A tremendous amount of concentration on implementation and documentation exists. This high level of concentrated effort ensures that the process is implemented effectively and stays on track. This involves setting targets and goals,

planning ROI studies, developing a transition plan, developing detailed policies, guidelines and procedures, and communicating the progress and results of significant evaluation studies.

These steps help organizations ensure they focus on evaluation in a systematic and methodical manner.

2. Linking Organizational and Performance Needs to Program Delivery

For years, the needs assessment process has been incomplete, inadequate, and misdirected for many organizations. When asked to evaluate particular programs, the evaluators have been hard pressed to determine specifically what the programs were intended to drive or influence and if the specific needs had been properly identified. There has been a consistent lack of connection between determining the specific needs, developing the specific objectives for a program, and evaluating the program results. For a program to be effective, there must be a strong linkage between these important components. For example, at Toronto Dominion Bank, the needs assessment process has been strengthened to identify specific business and job performance needs in addition to the traditional skill and knowledge deficiencies identified by most needs assessments. This strengthened process enables Toronto Dominion Bank to define performance needs more clearly and to determine if a training program is actually the best solution. If it is determined that training is necessary, the program will give clear direction in terms of specific objectives that reflect desired behavior changes and business improvement. This is helpful not only in the focus of program design but also in preventing unnecessary programs from being developed and delivered.

The desired linkage between needs assessment and evaluation is best illustrated in Figure 1.

The needs assessment process begins with the determination of specific business and job performance needs to separate training and nontraining issues. However, the process does not lead to a training solution unless a skill or knowledge

deficiency is determined at the second level. A first-level needs assessment is based on preferences; participants indicate the desired features and characteristics of their learning activity. When this type of analysis is fully developed, objectives can be directed around all four levels. In the past, most objectives focused on learning objectives; reaction objectives were usually understood but not communicated directly. Most recent shifts have caused many organizations to develop third- and fourth-level objectives at which the application of training and the desired business impact can be clearly articulated. With these precise objectives developed, the data concerning the impact of business decisions on the job application and learning processes are clearly defined. In addition, program design, development, and delivery can be more clearly focused on results and the evaluation process is easier and simpler.

Linking organizational performance needs to programs represents an important paradigm shift for the training function. It requires more funds for performance consulting, performance analysis, and needs assessment as well as much more dialogue with the senior management team, the ultimate client for most training and performance improvement programs.

3. Shifting the Function from Traditional Training to a Performance Improvement Role

The previous trend affecting the needs assessment process is one element of the overall shift in training to more of a performance improvement role. Most likely, no trend within training and development is more obvious. The shift has been reflected in changes in job titles as many training and development specialists are becoming performance improvement specialists. More important, organizations are changing their internal overall approach to the training and development function. An important fact recognized by the best organizations is that a performance problem often does not relate to a training need. In some organizations, as few as 10-20% of their performance deficiencies point to a particular deficiency that requires a training or learning program. Given the situation, the training program has had to change its focus not only to conduct a

thorough needs assessment to ferret out the causes of problems but also to offer a variety of solutions to performance problems. The shift is difficult for many trainers whose experience has been limited to designing, developing, and delivering training programs. Suddenly, trainers must provide more performance analysis and solutions outside of training, often requiring additional skill sets and, sometimes, functional elements in the organization. In some instances, different functions are integrated with training to create a performance improvement team. A full-service performance improvement function often provides a variety of services in addition to traditional training. These services are illustrated in Figure 2.

This shift to full-service offerings may be the most dramatic in terms of newly required skills and may heighten the frustrations and anxieties inherent in working through a change.

4. Integrating Training into the Strategic and Operational Framework of the Organization

In years past, the training and development function was not a strategic partner in the organization. In many organizations, it was considered a necessary evil and certainly not a process or function that would contribute significantly to the organization's success. That has changed. Many organizations have realized that training, learning, and performance improvement may be key to competitive advantage. While most organizations boast about employees being their most important asset, the commitment to training from a strategic role clearly demonstrates the seriousness of that proclamation. One significant example of elevating training to a strategic role occurred within General Motors when Skip LeFauve, President of Saturn Corporation, was named President of GM University. In essence, General Motors chose one of its most successful executives to lead its overall integrated training and learning delivery system. Many other organizations are positioning training at the strategic level and including the head of training or human resources development (HRD) in strategic planning. Tackling issues from a business perspective with a focus on results represents a new and challenging role for training and development.

This fourth trend also provides the opportunity for training managers to participate more directly as issues are identified that can influence the availability of skilled employees in the future. Today, it is not unusual for strategic planning processes to be coordinated by the HRD functions in some organizations.

5. Building Partnerships with Key Clients and Management Groups

The relationship between the training function and line management has not been productive or effective for many organizations. Trainers are uncomfortable working with line management because they often do not understand the operations of the organization. Line managers see little need to partner with the trainers and often regard them as overhead or unnecessary staff support. These perceptions are changing as more training managers have taken initiatives to

develop and strengthen their relationship with the line management's team. An example of successful partnership building is Illinova University, part of Illinova Corporation, the holding company for Illinois Power and other related businesses.

When Illinova University was created, specific steps were taken to build partnership relationships with key managers. Key managers were invited to be partners, encouraged by their senior executives to work with the university staff and receive custom-designed training around a partnership role they would play with the university. Included in this arrangement was a partnership agreement signed by both parties agreeing to certain commitments of time and resources. Obviously, the pressure is on university staff to show line managers that this partnership arrangement will continue to be effective and productive and that the university is delivering results with its programs. This trend represents a win-win relationship for both parties and may be the best route to success for training and development. Unfortunately, to make this plan work, the training and development function must take the initiative to seek out the managers and develop relationships through a variety of strategies. Some organizations tackle the process with specific plans for each key manager followed by routine evaluation of the progress of the relationship.

6. Positioning Training Closer to the Work Site

Even with the increased funding of training budgets, it is still a fact that most training occurs on the job. Training began as a job-related activity in which employees learned specific functions necessary to perform a new task. As training functions grew, much of the training became centralized with large corporate training centers and massive corporate universities. While this produces some gains and some efficiencies, much is lost in the process. With centralized training, it is often more difficult to transfer learning to the job. Participants see the training activity as physically removed from their work setting, sometimes even a great distance. Fortunately, managers feel the separation as well. In recent years, there has been a movement pushing more training to the job site. This allows training to

be more customized to the unique situations on the job and allows it to be more responsive to changing needs at the workplace. It also brings in the local support through the manager, local training coordinator, or on-the-job instructor.

This movement involves several major issues:

- * Formalized on-the-job training is more effective in many situations than formal classroom training. In other situations, a combination of the two is more effective.
- * Managers are assuming more responsibility for training in their work units. When they do, they choose to keep training close to home - many times at the work station.
- * Managers are often trained in how to be coaches, mentors, and people developers, and they are required to use those skills on the job to develop, train, and prepare employees to be effective and productive.
- * Technology is enabling more training to take place at the work station. Perhaps the most important advantage of using technology is that employees do not have to leave their personal computers.
- * The growing use of just-in-time training is moving more training to the work site. Many organizations are designing and delivering at the time that the new skills are needed and often at the same place that skills will be used.

This trend will require training managers to develop innovative approaches to combine both formal and informal on-the-job training to ensure that employees receive the proper training when they need it and at a location close to their work stations.

7. Using Technology Efficiently and Effectively

One of the most perplexing issues facing training and development is the use of technology. Although technology has developed rapidly in recent years, many organizations still do not use it extensively in the design, development, and delivery of evaluation of training, in part because they are waiting for more direct applicability. However, most large organizations can no longer afford to sit on the sidelines and wait until the technology is specifically appropriate for their needs. As with the other challenges, movement toward greater use of technology can be blocked by some serious obstacles. Programs are still quite expensive and can be time consuming to develop around an organization's specific needs. Also, many facilities often are not equipped for the newest technology, requiring significant expenditures for upgrading and updating hardware. Combined with this, recent research indicates that new technology does not necessarily enhance learning.

Use of technology places organizations on the horns of a dilemma. To what extent should the training function embrace technology? It can and must be embraced, but in a methodical, logical, and rational way. An example is the new teletraining program at First Union Bank, based in Charlotte, North Carolina. Previously, teletraining was conducted in regional training centers and new tellers attended sessions as they became available. A new teller could wait several weeks before receiving training for his or her new job. A 10-day training program was replaced with a three- and-a-half day multimedia program conducted at the branch at the necessary time, enabling a new employee to immediately receive needed training. While expensive to develop and deliver with the large number of new employees involved, the new technology became economical as training time was reduced, travel expenses were trimmed, and the use of formal classroom facilities was diminished. Technology required training and development departments to continue to look at the new processes but within the constraints of resources available and compatible with existing delivery methods.

Conclusion

The seven trends outlined in this article represent important challenges facing the training and development function within the financial services industry. However, as can be seen in the examples given, many of the most successful organizations are conquering these challenges. Effective training organizations will be able to tackle the seven training issues outlined in this article and build world-class training and performance improvement functions.

Notes

1 See also "A Rational Approach to Evaluating Training Programs...Including Calculating ROI," by Jack J. Phillips, Ph.D., *The Journal of Lending & Credit Risk Management*, July 1997, pp. 43-50.

2 A number of references in this article are from *Handbook of Training Evaluation and Measurement Methods* (3rd edition), (1997) Jack J. Phillips, Ph.D. For more information, call Performance Resources Organization at (205) 678-9700.

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