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CHAPTER 2
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

Why is the emphasis on strategic training important? Companies are in business to make money, and every business function is under pressure to show how it contributes to business success. To contribute to a company's success, training activities should help the company achieve its business strategy.

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 occurs and whether resources are 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

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- whether training is planned and systematic versus developed spontaneously and haphazardly
- the importance of training relative to other HRM functions, such as selection and compensation

THE EVOLUTION OF TRAINING: FROM AN EVENT TO LEARNING

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.

That said, 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. This approach assumes that business conditions are predictable, they can be controlled by the company, and the company can control and anticipate the knowledge and skills that employees need in the future. These assumptions are true for certain skills, such as communication and conflict resolution. However, these training programs will need to be more closely tied to performance improvement and business needs to receive support from top management.

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 learning organizations, where employees seek, share, and apply new knowledge and skills to improve both their personal and organizational performance. Learning is part of the organizational values. In a learning organization, training is one part of a system designed to create human capital. High performing companies are five times more likely than low performing companies to have a strong learning culture. The following are characteristics of a learning organization.

Supportive Learning Environment

- Employees feel safe expressing their thoughts about work, asking questions, disagreeing with managers, and admitting mistakes.
- Different functional and cultural perspectives are appreciated.
- Employees are encouraged to take risks, innovate, and explore the untested and unknown.
- Thoughtful review of the company's processes is encouraged.

Learning Processes and Practices

- Knowledge creation, dissemination, sharing, and application are practiced.
- Systems are developed for creating, capturing, and sharing knowledge.
- Every employee has a development plan and they are accountable for completing the learning included in those plans.

Managers Reinforce Learning

- Managers actively question and listen to employees, encouraging dialogue and debate.
- Managers are willing to consider alternative points of view.

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- Time is devoted to problem identification, learning processes and practices, and post-performance audits.
- Learning is rewarded, promoted, and supported.

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.

The following capabilities are critical for strategic training and development:

- Alignment of learning goals to business goals
- Measurement of the overall business impact of the learning function
- Movement of learning outside the company to include customers, vendors, and suppliers
- A focus on developing competencies for the most critical jobs
- Integration of learning with other human resource functions, such as knowledge management, performance support, and talent management
- Delivery approaches that include classroom training as well as e-learning
- Design and delivery of leadership development courses

THE STRATEGIC TRAINING AND DEVELOPMENT PROCESS

The strategic training and development process involves four steps:

- Identifying the organization’s business strategy
- Determining strategic training initiatives that align with this strategy
- Translating initiatives into concrete learning activities
- Identify metrics to determine whether training has contributed to goals related to the business strategy

Business Strategy Formulation and Identification

Strategic training begins with the knowledge of an organization’s business strategy. Formulating a business strategy involves several interrelated steps.

- Determining the company’s mission—the company’s reason for existing
- Establishing company goals—what the company hopes to achieve
- Conducting 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.
- Determining strategic choice based on the company’s mission, goals, strengths, weaknesses,

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opportunities, and threats.

Identify Training Initiatives that Support the Strategy
Strategic training initiatives are based on the business environment, an understanding of the company's goals and resources, and insight regarding potential training options. They provide the company with a road map to guide specific training and development activities. They also show 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?
- Does the company provide training for individuals and teams?

Provide Training and Development Activities Linked to Strategic Training and Development Initiatives
After a company chooses its strategic training and development initiatives related to its business strategy, it then identifies specific training and development activities that will enable these initiatives to be achieved.

These activities include developing initiatives related to the use of new technology in training, increasing access to training programs for certain groups of employees, reducing development time, and developing new or expanded course offerings. 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

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of training activities.

The business-related outcomes examined should be directly linked to the business strategy and goals. Metrics could evaluate customer service, employee satisfaction or engagement, employee turnover, number of product defects, time spent in product development, number of patents, or time spent filling management positions.

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 from the perspective of internal and external customers, employees, and shareholders. The balanced scorecard considers four different perspectives:

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

ORGANIZATIONAL CHARACTERISTICS THAT INFLUENCE TRAINING

Company Size

Most training in small firms is usually informal and on-the-job. Company owners, managers, or more experienced employees take responsibility for training. Employees are trained to do their jobs in the way that the owner prefers. Training tends to focus on the knowledge and skills that employees need for their current job not on developing skills needed for future positions. If any type of formal training and development is conducted, it is done through trade associations, short courses, and courses provided by the company's owners and managers.

As firms grow in size there is a greater need to provide more formalized training and development to prepare current employees for internal promotion opportunities and retain them.

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:

- manage employee performance
- develop employees and encourage continuous learning
- plan and allocate resources

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- 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.

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.

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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 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

Human resource planning allows the company to anticipate the movement of human resources in the company because of turnover, transfers, retirements, or promotions. Such planning can help identify where employees with certain types of skills are needed in the company. Training can be used to prepare employees for increased responsibilities in their current job, promotions, lateral moves, transfers, and downward moves or demotions that are predicted by the human resource plan.

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 HR 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.

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TRAINING NEEDS IN DIFFERENT STRATEGIES

It is important to recognize that there are different training needs for different business 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

One of the important decisions that companies have to consider in choosing how to organize the training department (or learning function) is the extent to which training and learning is centralized. 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.
- 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)

A corporate university *includes employees, managers and stakeholders outside the* company, including community colleges, universities, and high schools. Corporate universities can provide significant advantages for a company's learning efforts by helping to overcome many of the historical problems that have plagued training departments (e.g., excessive costs, poor focus, and inconsistent use of training practices).

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

Business-Embedded (BE) Learning Function

A BE helps to ensure that the learning function is centralized to some extent so that companies can better control their training costs and ensure that training is aligned with the business strategy, but at the same time respond quickly to client needs and provide high-quality services

A 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 is a constant in organizations. 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

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is based on the interaction among four components of the organization: task, employees, formal organizational arrangements, and informal organization.

Four conditions are necessary for change to occur:

- Employees must understand the reasons for change and agree with those reasons.
- Employees must have the skills needed to implement the change.
- Employees must see that managers and other employees in powerful positions support the change.
- Organizational structures, such as compensation and performance management systems, must support the change.

Four change-related problems need to be addressed before the implementation of any new training practice, which 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

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.
- Winning a local or national training industry award or recognition.
- Publicizing learner or manager success stories or feature those who have earned certifications or degrees using newsletters or websites.

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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 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 in 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

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- 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, 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 sun blocks, 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.

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

   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

   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 "diversify 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, and 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?

   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:

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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.

   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 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.

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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, such as how to resolve conflict and 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 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
    - 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 in 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

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needs. The same considerations may apply when deciding whether to outsource a single program, but the decision to outsource in this instance is of less 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.
    - 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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