Training leaders from Fort Hill Company, Countrywide Financial Corporation, Purolator Courier, and Advance Auto Parts on:

Creating an Effective Training and Development Department

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Knowledge and technologies in nearly every field are increasing exponentially, so how should companies respond? On the one hand, they need employees to stay on top of the information avalanche; on the other, they cannot commit unlimited resources for training and development. This ExecBlueprint describes in detail how four learning officers from diverse industries are managing this vital function in their respective organizations. Here they discuss the dual role training and development must play to serve the company’s present operational needs as well as develop its future products and leadership. Speaking from their own experiences, the authors map out specific strategies for administering and evaluating training programs that have proven effective at their companies. Their key to success? Teaching skills and knowledge the employee will actually apply to their job. As they explain, this is a multi-step process involving hands-on classroom training, supportive coaching and managing, and conscientious follow-up.

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His current domain of responsibility spans Countrywide's diverse financial and banking enterprise, and his purpose is to align the various business unit IT groups' initiatives in learning, curriculum, and delivery methodologies, as well as ensure that they maintain focus on corporate strategic directions. He is also responsible for policy-making and execution in the areas of technology infrastructure, internal IT certification programs, individual learning plans for a rapidly growing technology staff that currently numbers over 5,000 technical people, and industry best practices.

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Mr. Gould serves as the management lead on the Purolator board of directors’ compensation and HR committee, pension committee, and environment, health, and safety committee. He is also Purolator’s privacy compliance officer.

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Dr. Bryant’s career began as an industrial engineer in automotive manufacturing for ArvinMeritor. Among his many accomplishments, he managed operations for the nation’s largest health care products provider (Johnson & Johnson) and earned a promotion to senior instructional designer. He also served as the senior organizational development specialist for an $8 billion office products retailer (Office Depot), where he founded their first corporate university.

Prior to joining Advance Auto Parts as the vice president of organizational development and training, Dr. Bryant worked as the first training and organizational development director for AutoNation, a $23 billion automotive retail organization. Advance Auto Parts is a Virginia-based Fortune 500 firm.

Dr. Bryant is a member of the American Society for Training and Development, the National Society for Performance and Instruction, and other associations for HR management and organizational development.
An Introduction to Getting Your Money’s Worth from Training and Development

All told, your company invests a significant amount in training and development each year to stay competitive and help create the next generation of leaders. But if your company is like most, you aren’t getting the maximum return on your investment.

Training and development are means to an end: improved personal and organizational performance. The extent to which those objectives are achieved is the measure of their worth. Effective training and development create value that is many times greater than their cost by improving the performance of those trained such that they create competitive advantage and contribute to the success of the enterprise. Typical assessments, such as the number of hours of instruction, or courses offered, end-of-course evaluations, and the like, are no more evidence of training effectiveness than the number of sales calls is a measure of sales effectiveness. It is not the activity that counts; it is the output. Training and development create value only to the extent that they are transferred and applied to the work of individuals, teams, and businesses in a way that produces more effective behaviors on the job that, in turn, generate tangible business results.

Getting your money’s worth from training and development, therefore, requires more than providing a great learning experience. It requires a systematic approach that is driven by sound management. All the elements that determine whether training and development produce results need to be considered and managed. Many of these are outside the traditional boundaries of training and development departments, and yet they are crucial for its success. That is why executive leadership is needed if companies are to extract the full value from their investments.

For the past six years, we have been studying the characteristics that distinguish highly effective training and development programs from less effective ones (Wick, et al., 2006, p. 1). We have discovered six keys to effectiveness that transcend industry, corporate structure, and program focus:

• Define business outcomes.
• Design the complete experience.
• Deliver for application.
• Drive follow-through.
• Deploy active support.
• Document results.

Define Business Outcomes

If effectiveness is measured by the extent to which training and development contributes to the organization’s business success,
then it follows that training and development need to focus on business outcomes. Training must be an integral part of the company’s business strategy to be effective. Learning leaders need to:

- Have their “fingers on the pulse” of the business needs.
- Plan and deliver their programs with the ultimate business outcomes in mind.
- Define the outcomes of their programs in terms of what people will do better and differently as a result of attending — not just what they will learn.
- Show clearly how the program will benefit participants’ careers and the organization as a whole.

Less effective training and development departments are inwardly focused. They communicate primarily among themselves and with HR executives rather than business leaders. Less effective departments define program objectives purely in terms of the learning that will occur (“following the program, participants will know and appreciate the elements of effective coaching”) as opposed to business outcomes (“following the program, participants will use what they have learned to deliver more frequent and effective coaching to their direct reports, resulting in improved productivity and greater engagement”).

**Design the Complete Experience**

A second difference between effective and ineffective training and development organizations is that effective departments consider the learner’s complete experience, whereas less effective organizations focus only on the event — the course or module. How willing participants are to try to change — to apply what they have learned — depends as much or more on what happens before and after the period of instruction as what happens in the formal course itself. Indeed, there is evidence that what happens when the learner returns to work is more important than what happened during the training and development program *per se* (Broad, 2005, p. 85).

Therefore, to maximize the return on training and development, companies need to plan for and manage all three phases of the learning process, including:

- Setting the right expectations prior to training
- Emphasizing application throughout
- Holding learners accountable for using the course material on the job
- Providing support for the follow-through, transfer, and application process

**Deliver for Application**

The third key to getting your money’s worth from training and development is to ensure that application of learning is stressed throughout every program and module.

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<th>Phase I</th>
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<td>Preparation</td>
<td>Instruction</td>
<td>Follow-Through, Transfer, and Application</td>
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Designing the complete experience means planning for and optimizing all three phases of learning, especially the post-instructional follow-through period to ensure transfer and application.
Effective programs minimize the learning/doing gap by ensuring that:

- The business rationale for the training and the outcomes is clearly articulated in terms of expected performance.
- Theories are always illustrated by practical examples that are relevant to the participants and their businesses.
- Participants are given the time and opportunity to reflect on how they can apply what they have learned to their own situations.
- There are opportunities for guided practice of new skills through simulations, role play, business games, or other exercises.

**Drive Follow-Through**

The Achilles’ heel of most training and development programs is the lack of follow-through. Unless the new knowledge and skills learned in a program are applied to the work of the organization, they are waste — the learning equivalent of scrap.

Savvy executives understand that no matter how good the training is, what happens after the formal period of instruction has a huge impact on whether the organization realizes a benefit. So they invest time and resources to optimize the post-course environment to which newly trained people return, making sure it supports their efforts to practice more effective behaviors and work habits. Effective executives make certain their organizations apply the principles of follow-through management, putting in place processes and systems to ensure that participants:

- Are reminded of their learning application objectives
- Are held accountable and recognized for achieving them, just as they are for business objectives
- Have ready access to coaching and other forms of support
- Are encouraged to continue their learning through reflection and sharing with peers

**Deploy Active Support**

In their recent book, *Transferring Learning to Behavior*, Donald Kirkpatrick and James Kirkpatrick (2005) stress the importance of balancing accountability and support (p. 29). For training and development to be truly effective, participants need to be held accountable for achieving their learning objectives, but at the same time they need to be given the support necessary to help them do so.

The single most important source of support for learning transfer and application is the participants’ direct supervisor. If he or she encourages — or better yet, requires — participants to apply course principles, they will use and reinforce them, thereby maximizing the return on investment in training and development. Conversely, if the participants’ manager is indifferent or actively discourages use of course principles and processes, the ultimate effectiveness of training and development will be seriously undermined, no matter how brilliantly the training itself was executed.

For this reason, the fifth key to the most effective companies is that they make sure managers are prepared and motivated to be part of the support system for newly trained employees. Top management holds the managers and supervisors of learners accountable for maximizing training transfer and value. Other sources of support include:

- Peers (other participants in the same program)
- Instructors and facilitators
- Online content and guidance systems
- Internal or external coaches

There is a critical period immediately following training when support is especially important as participants try to apply their learning to develop new and more effective norms of behavior. Designing the complete experience includes providing ongoing support and reinforcement during this critical period.

How willing participants are to try to change — to apply what they have learned — depends as much or more on what happens before and after the period of instruction as what happens in the formal course itself.
period; executives should review program plans in order to be certain these are included.

**Document Results**

The sixth and final key to effectiveness is to document results. Training and development departments should be expected to continually increase their effectiveness by rigorously defining, assessing, and evaluating the results of their programs — just as other departments are.

Training and development departments should be held accountable for providing credible and relevant data to back their claims of effectiveness and to justify continued or increased funding. Measures of activity (number of programs, participants, hours of instruction) or of immediate reaction (participant satisfaction) are insufficient. And while it is usually impossible to completely isolate the effect of training from all other factors, there are many credible ways to demonstrate that the training and development are having a positive impact on customers, employees, and shareholders as well as fulfilling the business objectives for which it was created initially.

Finally, the results of effective training and development programs should be marketed to key stakeholders including, among others:

- Prospective employees, as evidence of the investment the company makes in its workforce
- Current employees
- Customers, to illustrate continuous improvement
- Investors
Summary
Maximizing the return — getting your money’s worth — on the investment your company makes in training and development requires six key disciplines:

1) Define outcomes in business terms so the strategic purpose of a training or development program is apparent to all and so relevant measures of success are defined in advance.

2) Design the complete experience so it is “all of a piece” and so the post-course environment, in particular, supports the application of learning to the targeted business needs.

3) Deliver for application — make sure participants know how to apply what they have learned and are motivated to do so.

4) Drive follow-through — put systems in place to hold participants accountable for using what they have learned and to track and manage the process.

5) Deploy active support to give learners the best possible chance to achieve their objectives.

6) Document the results in compelling and credible ways to justify continued investment and to support continuous improvement of training and development programs.

References


Introduction to Education and Training: The Road Ahead

“We process more information in a 24-hour period than people did in a lifetime 500 years ago.” That was a quote from Tony Carlson in his book, The Power of Wow, when he was proposing new techniques for achieving visibility in the midst of the information tsunami that engulfs us daily. Worse yet, the rising tide of information and knowledge appears to grow daily. We now process more information in a single 24-hour period than our grandparents did in a month.

Looking at the field of medicine, libraries of information build exponentially every year as thousands of new drugs are released, volumes of new articles on treatments are published, and diagnostic methods and technologies continue to proliferate. In this discipline alone, the amount of information doubles every four years. Imagine the potential for disaster when a physician has to decide on a diagnosis and a course of treatment where the choices involve more than 30,000 drugs with possible interactions and over 400,000 articles of best practices produced by the profession.

Turning to the world of the IT professional, we are witness to a near 100 percent renewal of knowledge every 12 to 18 months. Software, hardware, and application vendors constantly compete to improve their technologies in a race to keep from dying from “the status quo.” New languages, improved database architectures and functionality, broader and deeper applications, growth in chip technologies that doubles the prior release, improvements in equipment design, new network architectures — and more — all compete to render their prior generations obsolete.

On top of that pace, add the growth of governmental controls, regulatory oversight, the huge penalties for breaches of sensitive information, and an endless attack by armies of hackers sporting new weapons, and you can easily see that the problem of dealing with this IT information propagation is reaching epidemic proportions. Although “sitting still” translates to falling behind in most industries, the financial and organizational penalties for a misstep are so painful that progress seems blocked at every passage. Couple all of this with ever-tightening budgets and head count restrictions, and even the education and training remedies that could help deal with all this information become problematic.

To add injury to this overwhelming assault of information and knowledge, a Wharton School of Business recommendation published in the Wall Street Journal stated that if a firm is faced with significant marketplace and technological changes, the firm is “better off hiring workers from the outside labor market who have the skills it needs, rather than investing in developing those skills inside the firm.” The study went on to say that as more industries evolve in comparable ways with the fast-paced, high-tech industry, more and more firms will adopt this strategy.

As a company executive and shareholder, I’m not sure how I feel about our intellectual property and source of competitive advantage suddenly walking out the door and into our competitors’ shops. When our own company can electronically process a loan application on a Friday afternoon, why on earth would we want the people who built those elite systems to leave and do this for our competitors who are struggling to get loans processed in 30 to 45 days? Even further, how do I get the new IT professionals we’re supposed to hire from outside trained on our products and procedures?

This is not to say I don’t appreciate the problem of retraining a workforce if our primary delivery modality is the classroom. It’s more
that I have a different view of where our company’s true intellectual property resides.

Ironically, this recommendation to retire versus retrain has emerged as a solution to the problem created by many academicians and training professionals in the first place. Their insistence that classroom training is the predominant method for delivering knowledge has so lengthened the time needed to make an individual proficient that the Wharton School recommendation stands as valid. In fact, that elongated path to proficiency may well be the result of many conceptual as well as structural shortcomings in the use of classroom training.

Given the task of training an individual to “full proficiency” in a technical product, education teams generally do a complete functional decomposition of that product and then proceed to train an employee on each of those product functions. This ritual of full proficiency training ignores the fact that much of this knowledge will probably never or rarely be used in the employee’s job and, in a lot of cases, will be simply forgotten once the employee leaves the classroom. As a result, we tend to scope our education and training for the “just in case” scenario instead of thinking about what the employee actually needs to perform at the “working proficiency” level. This over-scoping of classroom events, combined with varying skill levels present in the classroom, renders full proficiency training an inefficient model to deal with today’s volume of information.

**Problem Statement**

Simply put, the world of education and training needs to refocus on employee performance and aim to achieve working proficiency instead of delaying productive use of employees so they can be taught every possible nuance of a technology in the classroom. We need to identify the “essential knowledge” employees will need and scope the training venues appropriately. We need to find the 20 percent of training that provides 80 percent of the value, and then we need to move to a new model of delivery for the remainder of the training.

**Previous Options**

Unfortunately, like with every other new idea, a storm of challenges will erupt. Doomsayers will spread their FUD (fear, uncertainty, and doubt), and warn that what is being suggested is the academic equivalent of handing keys to a Ferrari to a 16-year-old who has never driven. In fact, this is not what is being proposed at all.

To illustrate the over-reliance on classroom training, if a course were designed to teach essential knowledge for using the common application Microsoft Word, then it must be decided how much information to teach before letting a person learn while on the job. Perhaps we only need to show an employee how to open Word, how to create, save, and print a new document, some formatting commands, and how to use online help to discover the rest of the functionality. That would require only a four-hour course.

A four-week course, on the other hand, would teach the employee how to use templates, columns, tables, graphs, headers, footers, picture and media clip insertion, speech recognition, and the host of other functions that are available in Word. If 60 percent of the employees speak English as a second language, it would not be out of the realm of possibility for the education team to further add a complete course on spelling and grammar in the curriculum as well.

In this example, it obviously makes more sense for the business and the employee to teach “just enough” to get the person to a working proficiency with Word in order to perform the basic functions of his or her job. We need to shift the burden of learning to the workplace and the employee. We need to give the employee job aids and a glimpse at all the functionalities available in Word so he or she can address the academic notion of “not knowing some function or solution existed.” This education can be
accomplished through non-classroom training on specific functions within Word, from digital partners (a notion we will talk about later), and even via the embedded help that resides in Word. Contrasting this working proficiency approach to a training venue that might consume four to six weeks shows that any rational person would view the latter as a total misuse of the classroom and a financial burden for the firm. All that training simply lengthens the time it takes to get an employee to a working proficiency.

The Practical Solution

It is easy to begin the journey of moving from a classroom-dominated model of delivery to a model that blends classroom, non-classroom, and performance support systems. While this notion is fairly easy to understand, the level of reduction in classroom dependency being proposed necessitates a complete rethinking of previous models. In addition, the tools we need to deploy the workplace portion of our solution are still being defined.

As a “stake in the ground,” this new model should yield the following blends of each delivery modality within the next five years:

- 20 percent classroom
- 30 percent non-classroom
- 50 percent performance support

Using Word as our example, let’s look at various ways of teaching Word and contrast those paths to proficiency using the classroom-only model with the working proficiency model.

Here is how we might construct a classroom-only model around a list of topics for an executive administrative assistant:

- **Week 1:** Using Word XP for Professional Documents
- **Week 2:** Reinforcing Your Message with Tables, Charts, Diagrams, and Pictures
- **Week 3:** Designing Pages for Maximum Visual Impact
- **Week 4:** Publishing Long or Complex Documents
- **Week 5:** Collaborating Online and on Team Projects
- **Week 6:** Advanced Word — XML, Forms, and VBA

Simplifying Bloom’s taxonomy to four levels of knowledge (orientation, understanding, skill, and expert) and using traditional classroom-only models, we see that this curriculum becomes increasingly difficult and takes six weeks to complete.

**Time to Total Proficiency = 6 Weeks**

Coming back from this six-week hiatus, we would expect that the executive administrative assistant would be fully proficient and ready to go. Many would argue that this six-week curriculum would produce the ultimate executive administrative assistant. That would be true, but only if all of the functions taught were usable within the next couple of months and if the entire executive administrative assistant job was one-dimensionally reliant upon proficiency with the Word application. However, both those conditions are atypical in the workplace. Invariably, projects and tasks will demand other tools and skills when the executive administrative assistant returns to his or her job. Now the problem increases in complexity. Do we train the executive administrative assistant in telephone courtesy, PowerPoint, Excel, Access databases, event planning, and the host of other duties that may be encountered in that role? How many weeks are we willing to keep this employee in a non-productive mode while he or she learns these new tools and skills? The business, educators, the employee, and the employee’s manager must ultimately make a collective decision on how much non-productive time they can afford. With a complete dependence on the classroom delivery model, the impact of that decision will definitely affect the productivity of the individual as well as the team.

Let us now look at the impact of putting a different model to work. Consider the notion of generating a training strategy based on giving the employee only the essential knowledge needed to perform at a working proficiency. Using our
20/30/50 model of delivery for this same Word example, we restructure the course material we teach in the classroom to focus on those functions we deem critical to a working proficiency. This requires that we thoroughly understand a person’s job, including what components of the new technology they will use most frequently, the employee’s current level of knowledge, as well as the limitations of the various delivery tools. We may sit with the manager and the employee to see the scope of the person’s job, or we may look across the entire population in that job role to determine what 20 percent of the functionality produces 80 percent of the benefit. We then use other delivery methods to finish the training in the individual’s workplace. Due to the fact that the classroom is often the best place to teach a skill (owing to the presence of an instructor and a lab), we will also need to look at the limitations of some of the delivery methods we might want to use.

The following example shows the ability of each of the delivery tools to achieve the four levels of knowledge we’re using in this example, as well as how we would redeploy the curriculum so the individual can return to their job function almost immediately. The reader must remember that we are using a software example when we talk about the level of knowledge each delivery method is capable of achieving. For instance, it would be nearly impossible to teach the technical database administrator certain technical topics using audio. However, audio might be very effective to teach a language skill like Spanish or Italian. The relative depth each delivery modality can achieve is dependent upon the presence of an instructor and a lab. If one or the other is missing, it limits the tool’s ability to get through the four levels.

**Time to Working Proficiency = 4 Hours**

The new time to achieve a working proficiency is now four hours in the classroom by deploying other training aids, reference books, quick reference guides, and on-the-job performance support tools. In the case of Word, the many performance support system tools built into the product (such as spelling and grammar checks, formatting, templates, and a pop-up office assistant) make this an easy tool to deploy.

**Digital Partners**

One of the newest tools emerging in the 50 percent category has been developed using Internet and instant messaging technology, and it relates to the term “digital partners.” A funny short story will show how the newest generation of workers thinks and is accustomed to working.

A friend of mine who is a CEO of a small company greeted a new employee on her first day of work. She was a graphic artist, had her ears pierced multiple times, and wore sandals and casual work clothes. As she got settled, he said to her, “It’s a tradition on a person’s first day of employment to have lunch with the CEO. Would you like to join me for lunch today?” She looked him square in the eye and said, “Don’t you have a DVD?” With a surprised look on his face he said, “Why on earth would you want a DVD when you can simply talk to me live?” Without losing a beat, she said, “Well I might want to fast-forward through some of the parts.” My friend must have looked crushed, so she quickly added,
And there may be other parts I want to replay several times.”

They seemed to get through that rough start, and to his pleasant surprise, she became one of his best employees within the first few months. She was turning out stunning designs, excellent copy, and her work was receiving praise from customers. One morning, he decided to walk over to her work area and congratulate her on her fine work. When he got there, he was surprised to find she had several instant messaging sessions open on her desktop. He looked at the array and said, “Who are these people, friends?” She turned and answered, “This is my digital tribe. I come to work with them every day.” He replied, “Please explain.”

She went on to explain that she had come to know the instant messaging people from comments they posted on technical forums or from documents they published on the Internet. Some were good at graphic design, while others were good at copy. Some had an in-depth knowledge of Photoshop and Illustrator, while the rest were expert at other parts of her job. They simply helped each other every day. One supplied design advice, while another helped untangle copy. Her own contribution was an in-depth knowledge of Corel Painter. They had created a virtual community of practice.

I’m sure you can see how these digital partners helped each other master the volume of information and knowledge it takes to perform the job of a graphic designer. The notion of a “digital tribe” is new and is only one of the ways we need to provide the employee with necessary knowledge and information in their work environment.

It is also in this environment where we encounter the expert, and we begin to understand that these tools were already in use. As strange as it might seem, most experts rarely go to a class, seldom pull out a book unless it’s been recommended by a colleague, and instead satisfy their learning needs by frequenting forums and chat rooms to learn about the latest technologies. Only when a colleague or manager recommends a course or book will the expert actually engage in these traditional forms of learning. Instead, they compare notes with a mentor, visit vendor forums, or use the Internet to search for information on a topic. In fact, over 95 percent of IT professionals will tell you their primary way to find data is through “Googling.”

Rethinking the IT Model

Applying this thinking to the world of IT, we can do similar things when we teach new technologies. We need to establish which essential knowledge should be taught in the classroom and then search for tools that can support the IT professional on the job. Examples of these types of tools would be code judgers, code and Web services repositories, expert forums, a wizard directory that identifies all the topic experts in the organization, and so forth.

An equivalent IT example to teaching Word would be to teach a new language in this same fashion. We might teach the “essential commands and language elements” in the classroom, use reference material to give the coders the rest of the command or language sets, and then use code judgers and digital partners to accomplish the rest.
After we decide to limit the classroom venue in favor of workplace training tools, the role of IT education and training becomes clearer. It simply moves out of the classroom and away from the routine creation of events and training courseware to the day-to-day needs of the IT professional in the workplace. The role transforms from owning training event creation to “owning the performance” of the employee. That simple change in focus impacts how we would then think about solutions. Instructors become coaches and facilitators. Curriculum developers decide how the knowledge will be imparted across the new delivery model as well as within the scope of the classroom. And chief learning officers would be responsible for the business results linked to the new changeover in technology.

**The Benefits of the New Model**

**Benefit 1**

This new approach will shorten the time to achieve a working proficiency for all IT professionals and reduce the need for a complete upheaval in staffing whenever a new technology comes into the company. Working proficiency is defined as the time it takes to teach the employee the essential knowledge to perform his or her job function: the 20 percent that will be used 80 percent of the time in the job.

**Benefit 2**

This notion of a working proficiency will also allow the company to entertain new technology introduction much earlier than its competition and thus keep the company at the forefront in their industry.

**Benefit 3**

Finally, the reduced role of the classroom will free facility space, teaching resources, and other assets that can now be devoted to the real job of education and training, and facilitating the learner through coaching and performance support.

Businesses can look forward to the following key benefits:

- A faster time to market with new products
- Quicker response to competitive moves
- Increased revenues from educational interventions
- Lowered operational costs from education interventions

Individuals can look forward to similar benefits:

- Faster absorption of new tools and ideas
- Longevity with the company
- A greater ability to blend multiple technologies together when crafting a solution
- A greater exchange of information with colleagues
- Improved job satisfaction

The education and training industry must continue to refine this statement of direction as new ideas and technologies surface, and as clearer insights from our implementation efforts materialize. But in the end, we will have effectively dealt with the ever-increasing flow of knowledge and information that bombards us each day.

**Summary**

Although this new concept will take several years to implement and will necessitate the cooperation of vendors who need to embed training into their products, the value of this approach goes beyond the education and training organization. It most certainly helps position companies and individuals for the next millennium. As with earlier moves away from the classroom, this move will face challenges on many fronts. This model proposes to eliminate the primary dependence on a 2,000-plus-year-old model of classroom instruction. We expect to have to set goals carefully with departmental employees, industry experts, academia, and other influential parties. Just as it took years to develop the Internet to the point where it offered a viable way of doing business, it will take time to embrace the notions of essential knowledge and working proficiency.

Many discussions will need to take place with the HR department, corporate information security, legal, and other groups that might be impacted by information coming from both inside and outside of the company’s firewall. When we are successful, the rewards will benefit both individuals and corporations. The gains in productivity for corporations will allow them to move even faster in the marketplace. IT professionals, who once faced a “promoted or perished” 12- to 18-month extinction cycle, can now look forward to long careers as technical professionals.
Training and Development

The business requirements of the organization must drive the training and development efforts. One side of our development efforts revolves around required ongoing operational training. Operational training focuses on new products, new services, new technology, new equipment, or new regulations and is necessary to keep the business running. The other side of development focuses on the long-term efforts necessary to fill the leadership pipeline and provide professional development opportunities. Learning opportunities and development is a huge driver in retention at the professional level. The success of a business is dependent upon the success of its employees. This is an area where HR plays a crucial role, so I spend a lot of my time focusing on it while the other business leaders tend to focus on the operational training requirements.

Losing Focus

The tendency to lose focus is one of the common problems with training and development efforts. Because online technologies and Webcasts now provide an explosion of training and development opportunities, training and development people have become tempted to offer a wide smorgasbord of classes. Unfortunately, in the face of so many training courses and development options, it is easy to lose focus on the business needs.

To be effective, you must find a balance between offering a variety of options, meeting the business needs, and getting the most out of the company’s investment while still remaining conscious of improving retention. Employees in the 25- to 35-year-old range (especially) have a huge thirst for improving their skills and knowledge. A company should take every opportunity to push professional development for that group of people; otherwise, they will leave for a company that will.

Three Training Levels

Most of the operationally based training budget is held by operations as opposed to HR. While part of our HR budget covers the cost of trainers, the biggest cost of training is the team members’ time, especially in a unionized environment like ours. Roughly 20 percent of my team’s budget is spent on professional and leadership development. We have three levels of intervention or training on leadership:

1. One is aimed at people who are trying to move out of front-line work and become supervisors or managers. For example, if a courier in the terminal wanted to become a manager, he or she would go through a program called “Front Runner” aimed at helping him or her acquire the skills necessary to become a first-level supervisor.

2. The second level of training is called “Top Gun” and

centers on helping district managers and middle-level managers become more adept at managing their business.

3. The third level is a relatively new program called “Leaders’ Edge” for high-potential, high-performing managers who we believe will become the executives of the future. Through a partnership with one of the top Canadian business schools, we put them through a 16-week program to accelerate their development and get them ready to take on senior positions.
positions and/or important projects within the company.

In addition to our three-tier approach to development, we also offer a wide array of classes paid for by the business that allow employees in general to acquire certain skills or develop themselves.

**Upcoming Changes**

In the next year, I expect our training and development budget to increase for two reasons:

1. Regulatory changes in the transportation business due to border security and various issues. Whenever there is a change between the United States and Canada, we have to train our people on whatever that change may entail. This could vary from air cargo security screening to customs documentation and procedures.

2. Strategic reasons will account for the rest of the budget increase, because we will be investing more in leadership-based training and expanding development programs over the next year.

**Setting Benchmarks**

Much like every other company, we use benchmarks to keep our training activities on track and make sure progress is satisfactory. To gauge industry-related benchmarks, we focus on UPS, FedEx, DHL, and a few small companies, and use the industry associations we are involved with to learn how everyone is doing. As another way to understand how we are faring against other companies, we have applied for some external recognition. This resulted in our winning an award for our Front Runner program.

**Best Practices**

There are several best practices for effective training and development. In terms of leadership development, I believe our Leaders’ Edge program is a best practice. Designed specifically for Purolator, it has served to accelerate the development of high-performing management staff. For more practical training purposes, one of our best practices has been to use a network of workplace trainers to deliver a lot of the training. We have about 120 employees with regular daytime jobs who have also been taught to deliver training across the country. When we have to roll out something relatively quickly (such as a new regulation or product), we already have that built-in network to deliver that training. Moreover, the training is delivered by people who actually know the jobs as opposed to professional trainers who may not be knowledgeable about our business or the specific roles affected.

### Three Levels of Training on Leadership

<table>
<thead>
<tr>
<th>Level</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>Front Runner</td>
<td>To help people move out of front-line work and become supervisors or managers</td>
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<td>Leaders’ Edge</td>
<td>To develop high-performing managers into the company’s future executives</td>
</tr>
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</table>
**Aligning with Business Goals**

We always keep our training and development efforts aligned with our business goals. Every year, we first run through the business strategies the company needs to develop. Once an operational plan related to that business strategy is developed, the training requirements driven by the operational plan can be developed. My team’s goals are specifically driven by those training requirements. Currently, the development and leadership activities are based on a plan called “Investing in Employees for Competitive Advantage,” and there are less specific training requirements in progress as well.

**Monitoring the Competition**

We do not pay a lot of attention to our competitors’ training and development programs. We know what they are doing, but we don’t worry about it. We are a Canadian company, and all of our main competitors are large multinationals. Their training and development are driven by their head offices. We try to be a lot more specific to the needs of our Canadian business.
Training and Development
The biggest driver of training and development at my company is the CEO. We work directly with him to identify gaps in training, and he shows us where to focus our attention. After highlighting training needs, we then work with the appropriate players to develop the content. We try to keep our training and development initiatives fairly lean so that as business ebbs and flows, we don’t have to staff up or down. We also look for strategic vendor partners to help if we need to get a lot of training done quickly. This way, if business is on a downturn, we will not have to downsize the department or redeploy people.

Training Opportunities
Every one of our employees participates in our learning development programs. Due to the volume of training, we try to have a broad range of training opportunities available to them. Before initiating a new training program, however, the company will initiate a performance analysis. Often, a request for training masks a different problem altogether.

Often, a request for training masks a different problem altogether.

Return on Investment in Training
Less than 2 percent of the overall company payroll is devoted to development and learning, which is the right amount for us right now. We’re up against rising health care costs, and at the same time we are trying to keep our overhead low. Our budget grows proportionally with our overall sales and revenue. If the company makes more money, our percentage of the budget stays the same, and it is up to us to leverage those dollars.

For major training programs, we try to calculate specific return on investment metrics. We will usually run a pilot in a region or division, and we’ll watch the financial metrics. For instance, if we’re doing sales-related training, we’ll look at the customer averages and counts. If it’s more focused on the operations side, we’ll look at shrink as a big initiative for us to keep loss low. If it’s more on the leadership development side, we’ll look at our retention levels. We have an inverse pyramid where we devote the majority of our learning resources in dollars to store employees. While we spend more on managers and leaders, the total percentage looks smaller because there are far fewer managers.

If store employees are not answering the phone properly, someone may volunteer that phone customer service skill training may be necessary. However, before we create such a program, we’ll speak to the store employees to determine if there is a knowledge problem, a motivation problem, or a systems problem.
Best Practices

A best practice that should be in place in all organizations is to avoid event training. In order to create alignment and clarity, all training should be tied into the strategic HR plan, which should then be tied back into the strategic business plan. Some organizations have training programs for different departments, which do not allow them to come together into a synergistic relationship. Training should be integrated into the overall planning process by creating cascading goals. If, when studying a proposed training initiative, the training cannot be tied into cascading goals or clearly show how it will improve the business, the company should question whether that training is worth the time and energy.
Ideas to Build Upon & Action Points

I. How Should Companies Approach Training and Development?

Because knowledge and information are proliferating exponentially in most fields, employees must be constantly engaged in learning if they are to perform adequately and develop into tomorrow’s company leaders. However, training and development programs can be expensive and often lack clearly demonstrable results. Factors to consider when creating such programs include:

• What skill sets and knowledge are now necessary for your company to remain abreast with technology and competitive in the marketplace?

• What are the norms in your industry with regard to employee development?

• What training and development requirements are currently included in your business operations and succession plans?

• What challenges — both internal and external — does your industry and company face that could be addressed by a more knowledgeable workforce?

• Has your industry recently been (or will it soon be) subject to changes in governmental laws or regulations?

• How much training — and downtime — can your company afford?

• How are you going to measure the return on your investment?

II. The Bottom Line

When it comes to training and development, many companies are not getting their money’s worth in terms of improved organizational performance. Typical assessments, including number of hours, courses offered, and end-of-course evaluations, are not adequate. Every training and development program should include appropriate metrics for measuring actual results, such as:

• Defining and testing for the skill level that constitutes working proficiency

• Determining actual costs of the program in both dollars and time

• Tracking data such as operational costs, sales, customer data, and shrinkage rates before and after training

• Analyzing retention levels

• Comparing outcomes with industry benchmarks and other organizations

III. Must-Have Components of Effective Training Programs

Training programs must be more than a great learning experience; they should also yield greater productivity on the job that will generate tangible business results. Attaining this satisfactory return on investment for training efforts does, however, require a systematic approach driven by sound management. Highly effective training programs share at least some of the following characteristics:

• They are specifically designed to serve business strategy.

• They are geared to help people at all levels increase skills and advance within the company.

• Their success is defined by what people will do better and/or differently on the job.

• They feature workplace trainers who have an insider’s understanding of the function and environment.

• They minimize the learning/doing gap by offering practical examples and opportunities for guided practice of new skills through role play, simulations, and so on.

• They selectively teach content the employee needs to achieve working proficiency in the area as quickly as possible.

• They utilize other training and performance support tools (i.e., reference books, quick reference guides, expert users) in addition to classroom instruction.

• Their results are rigorously documented and assessed.

IV. The Golden Rules for Following Up on Training

An employee should not be considered “trained” until he or she can adequately apply the new skill or knowledge to situations encountered on the job. However, without adequate follow-up, countless hours of training can be wasted if the employee forgets the contents of the training. You can avoid this Achilles’ heel of many training and development programs by:

• Preparing managers to support newly trained employees and require that they apply course principles and processes

• Offering ready access to coaches, instructors, and online content

• Encouraging employees to continue learning through reflection and sharing with peers

• Implementing follow-through management systems

• Holding employees accountable for using course material on the job

V. Essential Take-Aways

Training and development may be expensive, but no company can ultimately afford to retain employees who are ill-prepared for changing work environments or increasing responsibilities. Challenges that training and development programs present include:

• Relevance: ensuring that content serves business objectives and will be used in the workplace

• Cost: coping with the inevitable loss of productivity during training periods

• Focus: offering too many course selections

• Balance: finding the right mix to meet business and employee needs

However, effective programs have been shown to benefit the company by:

• Reducing operational costs through increased efficiency

• Improving the company’s ability to develop new products and embrace new technologies

• Integrating the needs of different departments, allowing them to work synergistically toward company goals

• Increasing employee retention rates owing to expanded opportunities

• Enhancing the company’s image as a desirable place to work, patronize, and invest
10 Key Questions and Discussion Points

1. Who is the biggest driver of your training and development efforts? VP of HR? Training and development managers? Other?

2. What are the most important characteristics of an effective training and development department? Strategies aligned with companywide goals? Measurable impact to the company's bottom line? Wide range of training and development opportunities? Other?

3. What percentage of your HR resources is dedicated to training and development? Is this amount optimal? Why or why not? How can you calculate ROI for the time spent on training and development efforts?

4. What percentage of your company's training and development budget is allocated to top executives versus rank and file employees? Do you expect this percentage to remain steady over the next 12 months or to increase or decrease?

5. Do you expect that overall expenditures on training and development will increase or decrease over the next 12 months? What is driving this increase or decrease? What do you predict will be the impact on the company?

6. What percentage of your time do you personally devote to training and development efforts? Is that amount of time ideal, or do you wish you could devote more or less?

7. What factors are most critical in creating an effective training and development department? Strong HR leadership? Support of top management? Company culture that encourages training and development? Other?

8. What percentage of your company's employees will participate in a training and development effort in the next 12 months? How does this percentage compare to five years ago? How can this percentage be increased?

9. What kind of benchmarks do you use for training and development activities? How is progress measured? How often?

10. Could you cite an example of a training or development effort that had a substantial impact on the company's profitability? What are the best practices you took from this effort?