



TenStep Supplemental Paper

16 August 2010

Training - A Holistic Perspective

Holistic training will dramatically increase ROI on training. See how...

Many companies that are considered the best to work for swear by training as an efficient retention tool. Nonetheless, very few companies adopt such a holistic approach. Their conservative narrow approach towards training prevents organizations from optimally utilizing it.

Training is a high-level issue in large companies, which invest around 2 percent of payroll on an average. These companies are careful in measuring their return on investment.

Not many corporations are clear about the areas they must emphasize in training. There are some factors that will help training directors determine areas they must invest in and emphasize. They can also help management compare the kind of training that will help their business with one they have actually implemented.

The framework can be represented with the help of a four-layered pyramid wherein each layer refers to the components of training. Three training elements surround the pyramid and each of them applies to all four layers of training. Although most organizations do well in one or two layers of training, a holistic approach to training is important for optimal return on investment.

The four layers are:

Employee Skills

Forming the lowest or base layer, these are the initial and recurring skills required by non-managerial employees in their daily jobs. The areas of training include company policies, technical procedures, handling customer interactions, etc. The methods of training used could be computer-based training or virtual universities, offsite seminars, skill-based interviewing and on-the-job training.

Training administrators must ask some questions to ensure that the employee skills training program is effective:

- Is the training directly linked to the skills required by employees to do their current jobs?
- Is the training practical/on-the-job?
- Does the training help employees contribute to the organization's strategic goals?
- Are the processes that track employee participation the ones that link modules to productivity and feedback?

Manager/Supervisor Training



TenStep Supplemental Paper

Training for middle and junior-level managers is comprised of both initial and recurring education that covers the tools required to manage processes and teams. Some of these topics are work planning, communication, leadership, advanced customer relationships, and other related soft skills. This training is usually delivered by senior managers through virtual universities/online modules, off site and onsite seminars.

To assess the effectiveness of a company's manager and supervisor training program, administrators must ask some questions:

- Does the program identify the generic needs of the company's managers?
- Does the company's standardized induction program train new managers on management processes effectively, and does the recurring training reinforce the manager's knowledge?

Training High-Performers

Every organization has high-performers. Managers must identify and groom these high-potential employees to become future leaders. The organization must ensure that there are enough leaders at appropriate positions at all times. This pool of succession leaders must include both high-level managers and junior executives.

After a performance appraisal, an employee who is identified as a high-potential candidate should choose the relevant courses for training along with his mentors. The courses could be delivered through executive education classes at business schools, or computer-based collaboration exercises. An effective high-potential training program along with a week or two of core training supplemented with job rotations and seminars is effective. The participants should then be given a week to exclusively study the curriculum.

The following criteria help judge the effectiveness of the program:

- Does the company employ a formal process for identifying high-potential candidates?
- Are the courses customized to the individual's training requirement?
- Apart from building skills, does the high-potential training also familiarize managers with senior managers?
- Is the training supplemented with job rotation and mentor programs to develop well-rounded future executives?

Executive Coaching

At the top of the training pyramid is executive coaching. This is highly customized to address an executive's weaknesses. These weaknesses could range from conflict resolution to public speaking. Coaching methods could include instruction by external advisors, periodic job rotations and fostering mentoring relationships.

Although executive coaching needs are specific to individuals, senior teams sometimes need training in communication, leadership or working collaboratively. Simulation and



TenStep Supplemental Paper

adventure programs are effective training methods as senior executives seldom have the time or patience for classroom training.

An effective executive program requires to ask:

- Have the skills required to strengthen the executive been identified?
- Has adequate personal training to improve these skills been provided?
- Are executives encouraged to work effectively with each other to compensate for their weaknesses?

Three training tools that boost the effectiveness of training programs surround the four layers of the pyramid - performance management, virtual training, and succession planning. Performance management forms the foundation that supports the training pyramid.

Performance Management System

A performance management system is a formal employee review process that defines, encourages and rewards high performance. The three important components of a performance management system are:

1. Developing, publishing and educating employees about the skills required for every position in the organization.
2. Evaluating employee performance against established standards.
3. Devising a methodology to reward high-performance.

An effective performance management system must have:

- A formal, written review process that is tied to developmental planning.
- A constant feedback process between evaluations.
- Personal developmental plans that are linked with skills that need development.
- Rewards and promotions tied to the evaluation process.
- Adequate flexibility to enable skills to be revised when job skills and organizational objectives change.

Virtual University

Virtual Universities are online forums that train employees on the core competencies required by the company. The topics covered in virtual universities could range from analytics, procedures, information about tasks to be done, basic management techniques and company history and culture. Virtual universities are most applicable to employee skills training.

Virtual universities are often a component of corporate universities that employ a wide range of teaching methods such as practical, classroom and online training.

TenStep Supplemental Paper

Online training is conducted through a company's virtual university for initial as well as recurring training. This training is suitable for teaching technical and procedural subjects. The format of a virtual university should be consistent and comply with global standards and still remain customized to cater to different styles of learning. It must have a search function and use hypertext links extensively. The course in this case adopts a just-in-time approach and is essentially built for on-demand learning. An effective virtual university knows its audience requirements.

Administrators must ask themselves the following questions to evaluate the effectiveness of a company's virtual university program:

- Do employees perceive the virtual university as an important tool required to do their daily jobs?
- Is the content and scope of the program adequate to meet the training needs of the target audience?
- Can the virtual university be used to refresh the skills taught in a formal training program?
- Are all the modules self-paced enough for employees to be able to master them in 20 minutes?
- Is the content regularly reviewed for its relevance of content and its timeliness?

Succession Planning

Succession planning seldom gets the attention it deserves, especially as part of the training framework.

Succession planning is the rewarding, developing and promoting of high achievers for grooming as successors. Its objective is to have a back up to prevent shocks. Most organizations do not have succession plans or are unaware of its link with training and development. An effective succession plan ideally identifies potential successors, has a training program which ensures that the managers are cross-trained and are ready to be put on the job when unforeseen circumstances arise. Succession planning requires job rotations and requires the rising manager to work in different geographical locations. Succession planning is suitable for managers who are two or three levels above the middle managers.

For an effective succession-planning program, the human resource director must identify positions that require succession planning and suitable candidates for it every year. This list is given to the CEO and the board of directors. The CEO then discusses the succession plan with the chairman. Jack Welch, the ex-CEO of GE was one of the rare CEOs to take succession planning very seriously. He had a 15-year track record of attending workshops, conducting bi-weekly sessions with managers and spending at least a month every year on succession planning.

The following questions must be answered to ensure an effective succession planning program:



TenStep Supplemental Paper

- Have candidates been identified for top line and staff executive positions?
- Is the program adequately connected to executive recruiting when gaps are identified?
- Have formal training, mentoring and job-rotation programs been set up for the future leaders?

Conclusion

In the current economy no organization can continue with an incomplete approach to training that doesn't generate optimal return-on-investment on training.

Training programs must be designed thoroughly, exhaustively. Also they should be in sync with organizational priorities and objectives. They must be flexible enough to accommodate the changing goals of the organization. Training doesn't turn world-class in a week, which is why structuring a company's training needs and looking at it from a holistic framework becomes important.