

# Worldwide Training Industry News (Mar 13)

## **How Corporate Learning Drives Competitive Advantage**

*Forbes (03/20/13) Bersin, Josh*

U.S. businesses spend more than \$60 billion per year on employee development, according to the 2013 Corporate Learning Factbook. Although some executives still question the value of that investment, experts suggest that an effective corporate learning strategy provides companies with an unquestionable competitive advantage. To illustrate these advantages and how to obtain them, the Chief Human Resources Officers for two high tech companies recently discussed the success of their own corporate learning strategies. These companies, as well as many others, have found that creating high-impact learning begins with integrating company talent practices with a culture of learning that is open to mistakes. In order to develop such a learning culture, companies should follow four steps. At first, formal training can be eschewed in favor of coaching from managers and staff alike. However, as the learning culture expands, the company should put in place a corporate university on scale with the needs of the organization. This brings the organization to the "professional training" step, which should be developed through a needs analysis model to determine what skills employees require to do their jobs well. Next, the company begins to incorporate different learning programs as an essential part of its talent strategy. This incorporation process focuses on long term career paths and continuous learning. When the company finally reaches the fourth step, it brings together both informal and formal learning programs to aid employees in the development of job capabilities for each position. Strategies in place include action reviews, performance support tools, mobile learning, small teams, and military coaching programs. At this level, corporate learning is not just about productivity and reducing errors, it is essential to gaining competitive advantage.

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## **The Misery of Mentoring Millennials**

*Bloomberg BusinessWeek (03/14/13) Khidekel, Marina*

Mentor programs are extremely popular across many industries. But when it comes to integrating Millennials into a mentor program, problems can arise for a number of reasons. Experts argue that Millennials can be very bold and determined when it comes to reaching personal goals. This attitude often clashes with old mentor program models and mentors that Millennials may not find beneficial or easy to work with. Instead, experts say Millennials are more likely in search of a sponsor, or someone who can help them achieve their goals through promotion. But there are alternatives to traditional mentoring programs for business seeking a new method. Peer mentoring, reverse mentoring, and speed mentoring are all models many businesses are experimenting with. However, through training Millennials can learn to participate responsibly in a traditional mentor-mentee relationship.

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## **Why Leadership & Team-Development Programs Fail**

*Human Resource Executive Online (03/13/13) Dranitsaris, Anne; Hilliard, Heather*

Often companies will invest heavily in programs designed to improve performance by changing the behavior of leaders, teams, or employees. However, these programs often fail to achieve the desired result. Experts in behavioral change say these programs often fail because participants aren't aware of how their brain works and how it may help or hinder the learning process. Second, competency models used in programs that are not suited to the unique needs of participants will not succeed. Third, programs that do not engage participants for a long enough period of time will also fail; the brain requires repetition and practice for a skill to be locked in. Finally, programs won't work if content is placed above people in terms implementing change. Implementing behavioral change should be a group activity, but also understanding how employees or leaders think can go a long way in ensuring a successful program.

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## **The Next Agenda: The War to Develop Talent**

*Business Finance (03/11/13) Schwartz, Jeff*

Business leaders around the world continue to focus on talent, but the concern is more for the shortage of

critical skills than the availability of workers. New patterns and priorities have emerged in the 'war for talent' over the years, and the next challenge is likely to be the war to develop talent. As the changing nature of work, influence of technology and speed of innovation continue, approaches to managing talent remain based in 19th century models. Leading researchers suggest reimagining development and moving beyond the 'once and done' view of jobs, training and careers; focusing on the central role of technology in redefining how we work, manage and structure jobs and careers; and managing talent beyond corporate and national boundaries. In turn, these priorities will lead global business and talent leaders to redouble development efforts, refocus on the evolving combinations of skills, technology and work; redraw boundaries for talent management; and redefine the career value equation. The new agenda for talent can focus on integrating the social and community aspects of employment. Moreover, it can embrace the need for open-source talent ecosystems built on networks and new ways of working.

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### **'Skills Training Will Become More Affordable and Accessible'**

*Business Today (02/28/13) Chenoy, Dilip*

According to one industry expert, India is set to see increases in skilled youth. Dilip Chenoy, CEO and MD of National Skill Development Corporation, says the finance minister has a plan to set aside money that will be used to encourage young people to voluntarily enroll at skill development institutions and also provide incentives to each person that completes training. The plan includes recognition given to industry-led assessment and certification. Chenoy argues that including vocational institutes in the negative list of service tax could make skills training affordable and more accessible to the lower and middle class. He says the money being used for the National Rural Livelihood Mission, National Urban Livelihood Mission, and Border Area Development Programme Fund for skill development could also encourage training companies to create skill development programs across India.

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### **Sloppy Thinking About Corporate Culture Keeps it From Changing**

*Business Insider (02/19/13) Watson, Jane*

Often the culture of a company is blamed for a myriad of problems or erroneously seen as a solution to them. However, office culture expert Jane Watson suggests that 'culture' is often misunderstood and discussed incorrectly. Watson argues that oversimplification and confusion can lead to failed efforts to change a culture that involve a lot of time, effort, and money. Organizations looking to change their culture should first consider the problem and is a change in culture the true solution to that problem. Often something else requires a change and not the culture of an office. Managers should next look at the big picture and all the ramifications a culture change may have. A change in one area of a company could have ripple effects in another. Finally, failure to change a culture successfully could result in an unhappy and cynical staff. Employers should be aware that changing a culture can be risky, complex, and should not be taken lightly.

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### **Need an Internet Mentor? Look Inside Your Company**

*North Bay Business Journal (02/11/13) Rego, Kerry*

Business owners and senior staff share some of the responsibility for helping junior and senior employees acquire skills that they did not learn in school. Mentoring can provide an opportunity for employees to learn skills on the job such as interpersonal communications, industry networking and customer service. Technology is changing the business world, and has put junior employees in the advantageous position of having a vast amount of knowledge that senior staff did not have the opportunity to learn. Business owners should consider setting up reverse mentoring teams, which would enable senior employees to update their skills and become more comfortable using technology, while giving junior employees the opportunity to gain more visibility with top executives and learn more about the management arena. Reverse mentoring can reduce job turnover in junior personnel. Of course, some mentees will not know a great deal about technology, and some mentors will not need any help using the latest devices, tools and services.

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## **A Culture of Development**

*Transmission & Distribution World (02/13) Vol. 65, No. 2, P. 24 Elmer, Debbi; Quinn, T. Michael*

Texas-based electric utility Oncor recognizes that talent management and employee development are crucial in the quickly changing energy sector, especially as the workforce matures. The company opted to oversee training programs via the HR department while functional units like transmission, distribution, and customer operations co-led, championed, and owned it as well. Training at Oncor addresses such things as rotational positions through its Leadership Development Program. Another component of training is the availability of critical feedback in a variety of public forms. For instance, training participants can obtain feedback on performance from a peer, steering committee, or supervisor. Participants also must complete project assignments that are typically outside their area of expertise. They take part in actual projects within a team environment that result in actual deliverables. The projects are concluded when each team gives a presentation in front of the company's leadership team, graduates of past programs, and employees representing the fields affected by the projects.

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## **Getting New Employees Off to a Good Start**

*New York Times (03/13/13) Burkhart, Bryan*

Once companies have hired talented people, they need to make sure the new employees get off to a good start. Several innovative companies in New York City shared what they do to ensure a productive start. ZocDoc has an employee handbook with content that is meant to be informative but in language that is interesting. The handbook itself is called The Prescription Pad, and a digital copy is provided to each employee on the first day of work. Warby Parker sends an electronic welcome packet with the company history, core values, press clippings, and what a new employee should expect the first day, week, and month. The night before starting, new employees get a call from their direct supervisors to make sure they know where to show up and when. At ZocDoc, groups of new employees have lunch with the executive team. This makes an immediate connection with the company and demonstrates a sense of approachability with senior management. A developer at Warby Parker created "Lunch Roulette." After each weekly team meeting, this software application randomly selects two groups of four people to go to lunch on the company's tab. It ensures that no more than one person from each department is in a group. Warby Parker has an intensive training program over the first week that every employee completes. It focuses on customer services to ensure that every employee understands the customers and knows how to make them happy. Each department head comes in to present what that department does. The founders lead a session on core values. Finally, there is retail training because every employee is a brand ambassador and should have as much knowledge as possible. Bonobos has a formal, two-week White Belt Program that is led by the customer service team. New employees learn about the company culture, Bonobos products, the e-commerce platform, the marketing process, and how to deliver customer service.

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## **This CEO Used to Have an Office**

*Wall Street Journal (03/13/13) P. B1 Lublin, Joann S.*

Leaders of troubled companies are focusing more on culture in an attempt to put their organizations on a stronger foundation for long-term success. However, overhauling the culture while putting an ailing business on a healthier strategic path "is much more difficult than most executives realize," warns John Kotter, co-author of the book 'Corporate Culture and Performance' and head of research for consulting firm Kotter International. At Houston power producer Dynegy, which emerged from bankruptcy last year, the effort to restructure its culture is still a work in progress. The most visible symbol is moving headquarters to a different building, with a single, open floor, and having Chief Executive Bob Flexon occupy a 64-square-foot cubicle that is identical to those used by the 235 colleagues who surround him. Last June, the highest-ranking executives participated in a two-day off-site meeting, which included trust-building exercises, and then drafted a new purpose statement and put more emphasis on core values like safety, accountability and agility. The company expects to spend \$425,000 on training 300 managers by year-end. And 15 specifically trained 'culture champions' are working to reinforce the message. "People are starting to cautiously believe that we can win again," says Flexon.

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## **Innovate to Stay Relevant**

*Forbes (03/05/13) Werner, Ben*

For companies looking to thrive on a culture of innovation and adapt to changing markets and consumer preferences, a lot can be learned from the high-tech industry. According to one industry expert, agile development can be achieved by several strategies used in software development and engineering. Companies should respond to changes in demand and other challenges as quickly as possible. Second, companies should effectively manage tasks by breaking them down and focusing on solutions and details. Managers should prioritize their time with a list of important actions and identify useless tasks to avoid wasted effort. Companies would also benefit by opening up communication channels with customers. This produces meaningful change, products, or services that customers can appreciate. Agile development can be reached through a unified staff that is focused on one goal, and is managed by rules that define the culture clearly. Finally, companies should recognize that excellent ideas can come from staff members as well as executives. Solutions to problems may also be developed from the ability of a team.

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## **How to Develop The Highest Potential Leaders**

*Business Insider (02/09/13) Robinson, Jennifer*

The importance for a business to have strong leadership is critical, and the best companies often develop their best leaders to help deliver results. Barry Conchie, a Gallup Senior Scientist, says the experiences a company provides to their leaders is the key to their success. Conchie argues that every leader requires additive experiences. These experiences may include responsibilities for serious or complex projects. However, Conchie adds that breakthrough experiences, though rare, can be even more effective and should be reserved for the absolute best leaders. Breakthrough experiences include promotion to an upper-level position before a candidate is ready. Another potential breakthrough experience may see a leader in charge of turning around a poor work environment or operating far from company headquarters. Finally, putting an employee in charge of a diverse team tasked with creating a new product or pooling resources to develop a product sourcing process. "You don't want to waste a breakthrough experience on someone who won't benefit from it -- and may botch the job," says Conchie.

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## **E-Learning Goes Mainstream: How to Upgrade Your Strategy**

*Business 2 Community (02/10/13) Bishop, Tom*

Marketing expert Tom Bishop says e-Learning should be the center of every business strategy whether it's for company training courses or a university. He argues that mobile technology is very popular and it is important that information is compatible with mobile devices and popular programs like Flash, JavaScript, and HTML5. An e-Learning platform should incorporate all forms of media such as video, audio, Flash, PDFs and podcasts. E-Learning is more effective if users can choose their preferred form of media. Integrating social media into an e-Learning experience will help create a community around courses and provide a familiar means of communication for users. Cloud hosting provides a convenient solution to storage requirements and grants easy access to users no matter their location. E-Learning should be matched to a company's style, but should also be customizable for trainees. Finally, Bishop calls for e-Learning platform should be accessible to everyone, even those with disabilities, impairments, or special needs.

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## **Study Touts the Benefits of Internal Social Networking Sites**

*Workforce (02/04/13) Mihelich, Max*

A study by Baylor University found that companies benefit from improved morale and reduce turnover if they integrate social media into their business. The study followed the United States Automobile Association (USAA), a San Antonio-based insurer with 22,000 employees, which used an internal networking site to help new employees adjust to the company. Researchers found that the site, modeled after Facebook, gave employees a greater sense of well-being, organizational commitment, and improved engagement. It also allowed employees to build personal resources like social capital and organizational

learning. Eventually, the USAA site evolved so that it could be used for social interaction and mentoring, allowing new hires to communicate with senior employees. Study authors did note that companies with a young staff and openness to social media would see the most to gain from similar sites.

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### **Get Sold on Training Incentives**

*HR Magazine (02/13) Vol. 58, No. 2, P. 57 Krell, Eric*

Increasingly, retailers are rewarding sales workers for their training performance rather than sales output. At Hudson Trail Outfitters, 95 percent of sales employees take part in a three-part training program that features different incentives for completion. An external training vendor called 3point5 rewards employees for completing training modules during store hours. Since introducing the program about a decade ago, the average tenure of sales employees at the company has increased by 30 percent, according to General Manager Sandy Cohan. "Our people respond better to gear incentives than they do to cash," Cohan notes. Experts say many training incentive programs should do more to link incentives to culture, compensation strategy, or both. David Almeda, chief people officer for Kronos Inc., says too many retailers depend excessively on product-specific incentives given to salespeople for selling specific products, even after they have received product-specific training from vendors. This approach may result in unwanted side effects, such as employees failing to address customers' needs, says Almeda. Ideally, human resource managers should examine the growing importance of training, use leading practices in delivering and rewarding training, and align training and incentives with organizational culture and business goals. Maryam Morse at Hay Group's retail practice points out that often customers have "already researched the brand, the latest product, and all of its features," and retailers say they "need to keep their employees educated to the same level of knowledge."

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### **More Americans Working Remotely**

*Wall Street Journal (03/06/13) Shah, Neil*

Many U.S. workers now work from home at least once a week. In 2010, about 13.4 million people, or 9.4 percent of U.S. employees, worked at home at least once a week, up from 9.2 million people, or 7 percent of U.S. employees in 1997, according to the U.S. Census Bureau. Although critics of the trend say many jobs benefit from employees interacting with co-workers in person, some research indicates that permitting employees to work from home can boost productivity. The telecommuting trend affects different types of employees differently. Twenty-five percent of telecommuters are in management, business, and finance. Almost 50 percent are self-employed. Employees in computer, engineering, and science professions saw one of the largest shifts. The number of people in these professions who telecommute rose 70 percent between 2000 and 2010, according to the Census Bureau.

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### **How to Manage Change Without Abandoning Your Brand**

*LeadingCompany (Australia) (03/05/13) Jone, Mathew ; Helliwell, Lorie*

For some Australian companies, organizational change is being spurred by things like layoffs, especially in the manufacturing sector. Problems with organizational changes can be decreased by forming a strategic communication plan that sets aside sufficient time for employee and stakeholder communication. Transparency needs to be ensured by controlling the time, place, and nature of communications. Change projects also require the creation of cross-business teams that represent all parts of the business being impacted, and which should be given opportunities to provide feedback. It is essential to give priority to the employees being affected to minimize the likelihood of sharp and public backlash that can be damaging to a brand. A company might opt to appoint advocates for the brand who understand the reasoning behind corporate decisions and commend the company's efforts to take care of affected employees. Furthermore, social media channels need to be included in planning stages to ensure they are aligned with the organization's overall communication strategy. Social media channels should be tracked regularly and used as opportunities to conduct conversations with stakeholders, such as local lawmakers and officials, suppliers, customers, and unions.

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### **Wanted: B-School Students With 'Soft Skills'**

*Wall Street Journal (02/20/13) Korn, Melissa*

Along with solid resumes, transcripts, and recommendations, prospective employers want to know if business school graduates possess soft skills, according to the Graduate Management Admission Council (GMAC). On Feb. 20, GMAC unveiled Reflect, an online tool that enables business students to assess their strengths in 10 soft skills, such as strategic vision, drive, interpersonal intuition, and collaboration. Such skills are required in management positions, but are typically not easy to teach in the classroom. Reflect was developed in partnership with Hogan Assessment Systems, and costs \$99.99 per test, but bulk discounts will be offered by GMAC. The test takes about 45 minutes to complete and provides a report detailing users' strengths and weaknesses. Users also gain access to a library of articles and videos to improve areas in which they might need additional work. The tool furthermore benchmarks a test taker's scores against high performers in 14 job functions. GMAC says more than 40 schools said they were interested in piloting the assessment, and that the test's developers will work with school administrators to create action plans based on students' scores.

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### **HR Analytics and Competitive Advantage**

*Forbes (02/05/13) Rivera, Ray*

Human capital can be a major driver for competitive advantage, say industry experts. As such, human capital should be treated as a resource, with some employees becoming so valuable to a company that they are irreplaceable. The key to a successful company is the cultivation of good work habits and behavior. Human resources can direct and ensure these behaviors, ultimately promoting cooperation between strategy and performance. Human resources can also improve coordination with other company resources. Aligning the correct people in the proper situation can optimize behavior, contributing to a high performing company. It is important to note that human resources and human capital play a key role in business outcomes. Experts say employees should be at the core of a human capital strategy in order for a business to succeed in competitive advantage.

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### **At Tek Systems, Team-Building Happens Outside the Office**

*Washington Post (02/03/13) Halzack, Sarah*

Information staffing firm Tek Systems has concluded that team building activities and events lead to stronger relationships between employees. Tek Systems holds quarterly events that are chosen by different employees each time. As a result, Tek Systems' has held a variety of activities that include bowling, cooking classes, mystery dinner theater, and a ropes course. No matter the event, Tek Systems officials say the outings work well in creating a close knit staff. "Our culture is built on relationships. We know that strong teams aren't built just at work alone," says Faith Johnson, vice president of human resources. Major Flynn, director of business operations, adds, "It's really important that we come together and work together as a team, and it helps to get outside of the office and get a chance to really bond together." Flynn also says in a competitive and busy work environment the events provide a vital break for staff members.

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### **How Ikea Creates Massive Demand for the Ektorp Sofa: It Thinks About Moms**

*Fast Company (01/30/13) Shea, Gregory P.; Solomon, Cassie A.*

When undertaking any change initiative, it is important that organizations identify a clear purpose. IKEA North America President Goran Carstedt says his company's purpose is to make families' lives "easier by providing them with convenient and affordable household items in an accessible location." Carmen Nobel, senior editor at Harvard Business School Working Knowledge, observes that, "IKEA has made very clear choices about who they will be and to whom they will matter, and why." To this end, executives should ask themselves how the change would affect the flow of information, products, or services; how would decision-making on given matters proceed; and how would information move, and from where to where. Ideally, a change leader has thought through these matters prior to starting implementation. Any change proposals should also be accompanied by a specific set of desired end behaviors, but doing so may take

time. Executives can try to look at least five years to 10 years out, while two years to four years might be enough for managers. Change agents can start at a specific moment and work back to the present to generate more creative thinking. Furthermore, organizations should not hesitate to undertake major changes, which often compel leaders to think enterprise-wide and focus on both processes and people. Change is successful when patterns of behavior across large numbers of people react to signals from the work environment.

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### **Here's Where 'Best Practices' in Corporate Culture Go Wrong**

*Business Insider (01/30/13) Watson, Jane*

Many organizations are enthusiastic about implementing "best practices," but that term may actually hold little meaning. Best practices are essentially business approaches that individuals, industries, or professions consider to be better than others now or previously in use. There may be a theoretical basis or research that demonstrates the effectiveness of the practices, but oftentimes there is not. Sometimes the sole criteria for determining if a practice is "best" is how popular it is among similar organizations. The label can also be applied by consultants, thought leaders, or professional bodies. In reality, it is important to keep in mind that even if a practice is beneficial for one company, it might not be compatible for another. According to the New Institutional theory, organizations behave in an uncertain context typically by seeking "institutional legitimacy." This means that an organization wants to legitimize its power, status, and existence by following prevailing ideas of what an organization "should" look and act like. Davis and Powell says this occurs by adhering to "rational myths," which are regarded as efficient due to their wide adoption rather than tangible evidence. Zappos, for instance, has long been regarded as the ideal employer when it comes to corporate culture, employee satisfaction, and engagement. However, few experts talk about Zappo's profitability or market share. Ideally, best practices should be considered within the context of the larger organization rather than isolation.

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### **Coaching Executive Teams to Reach Better Decisions**

*Journal of Management Development (01/13) Ben-Hur, Shlomo; Kinley, Nikolas; Jonsen, Karsten*

A key obstacle facing executive groups is groupthink, a term coined by William H. Whyte in a 1952 Fortune magazine article and associated with the work of Irving Janis, who researched the concept extensively. Janis defined groupthink as a way of thinking that people engage in when involved in a cohesive in-group. Members strive for unanimity, which takes precedence over their motivation to consider alternative courses of action. Groupthink is characterized by group cohesion, directive leadership, and ideological homogeneity, resulting in common symptomatic behaviors like overestimating the capabilities of the group, closed mindedness, and pressures for uniformity. Decision-making flaws stemming from groupthink include a lack of contingency planning, insufficient information search, and biased assessments. Solutions to group think include holding decision-making meetings with the aim of ensuring effective debate and discussion. Janis recommended that organizations create several independent groups that work on the same problem, and the board should invite outside experts to meetings to discuss key issues. Each member also should discuss the group's ideas with trusted people outside of the group, such as coaches or mentors. Research by Argyris suggests that executive groups should be engaged both collectively and individually by a coach/facilitator. This includes giving them feedback, challenging their thinking, and using focused exercises to help them mull how they operate. His aim was to help executive groups identify their patterns of behavior, what they did both individually and collectively to maintain them, and what they could do to change these patterns. Coaches also help leaders and leadership teams better manage information flow and evaluate their ability to raise issues and communicate.

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