

Three Strategic Training Roles

By Ralph Catalanello and John Redding

Human resource specialists agree that training should be tied to a company's strategic business plans, but corporations still aren't doing it. Part of the problem is the lack of a uniform definition of the link between training and strategy; a new study of 10 companies shows that there are three distinct strategic roles for training.

The literature of recent years has enthusiastically extolled the importance of tying training to strategic business planning. The argument is convincing. Strategy-linked training may be essential to the success of contemporary firms challenged by increasing global competition, accelerating technological change, and shifting workforce demographics. In fact, several leading organizations, including Motorola, General Electric, and Hewlett-Packard, credit recent business success to training.

Training may indeed be a newly discovered reservoir of competitive advantage. The Work in America Institute offers extensive evidence of that in its recently published, three-year research study, *Training: The Competitive Edge*. Citing case examples, the report documents training's potential power as a competitive weapon. One of the case studies tells of an international electronic-components manufacturer

whose multimillion-dollar advertising campaign proclaims, "training—the competitive edge."

Such illustrations, however, are apparently rare. Despite the large body of literature advocating the use of training to support strategic implementation,

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corporations are making few efforts in that direction. In most organizations, training needs and programs have little to do with business objectives and initiatives. Moreover, despite widespread enthusiasm, little research into training's role in supporting strategic planning is available.

Our interest in the topic began with a question: "What does it mean to link

training to strategic business planning?" We first turned to recent publications on the subject. The answer was anything but unanimous. In fact, our research showed three distinct strategic roles for the training function:

- first, to provide training that equips important managers to plan strategically, to think strategically, and to understand key strategic issues;

- second, to become involved in the formulation of strategic plans either directly through personal participation or indirectly through senior management;

- third, to identify and implement training programs that explicitly support strategic plans, thereby establishing a competitive advantage rooted in employee competence.

To explore the issue further, we investigated 10 organizations. Our primary aim was to determine how the three strategic training roles interrelate. For instance, can they operate independently from each other, or are all three roles necessary components to training's support of strategic plans? Our secondary purpose was to assess the impact of each of the roles on the strategic success of the organizations.

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Strategic planning problems

To measure strategic planning success, we assessed the degree to which organizations encounter problems when formulating and implementing strategic plans. Such a common approach seemed particularly suited to our study because many of the problems appeared to be associated with inadequate training.

For instance, a survey of 86 *Fortune* 1000 companies found that the primary mistake firms make in developing strategic plans is their failure to make sure that top management and line officers really understand the nature of long-range planning and what it will accomplish for them and the company. Other frequently occurring problems mentioned in the study included

- failure to create a company climate that is congenial and open to planning;
- failure to use plans as a standard for measuring managerial performance;
- failure to develop company goals to serve as a basis for formulating long-range plans;
- failure to involve major line personnel in the planning process.

It is possible that training strategic planners in strategic thinking and planning skills could help remedy those problems.

As with formulation problems, many strategy-implementation problems may be training-related:

- the capabilities of employees involved are not sufficient;
- training and instructions given to lower-level employees are not adequate;
- implementation takes more time

than originally allocated;

- unexpected problems surface during implementation;
- coordination of implementation activities is not sufficient;
- other activities and crises distract management's attention.

If they create strategic plans with training issues in mind, and if training programs are executed to support those plans, organizations can avoid many of those pitfalls.

Planners must have the capability to make the best possible choice among available strategic alternatives

Strategic training roles

You can link the three training roles to the strategy formulation and implementation process as represented in Figure 1.

At each phase, strategy-linked training may serve to lessen the amount and severity of problems encountered by the organization.

Role 1: Training in strategic planning

One potential cause of problems in the strategic planning process is that those responsible for formulating and implementing plans lack essential strategic-planning and strategic-thinking skills. Such skills include a sophis-

ticated array of conceptual, cognitive, and interpersonal abilities.

For instance, according to Michael Porter, planners must have the capability to make the best possible choice among available strategic alternatives—otherwise, their organizations are destined to be stuck in the middle, trapped in vacillation and paralysis.

Because strategic decisions are usually group decisions, strategy formulators must possess the communication and team skills needed to achieve consensus, resolve communication breakdowns, clarify roles, and obtain commitment.

In addition, managers throughout the organization must understand the process and procedures of strategic planning, including such techniques as environmental scanning, competitive benchmarking, and portfolio planning. Those implementing new strategies must also understand the complex processes of organizational change and help to create a climate that overcomes the parochialism, tunnel vision, bureaucratic structures, and short-term reward systems prevalent in most organizations.

Role 2: Involvement in strategic planning

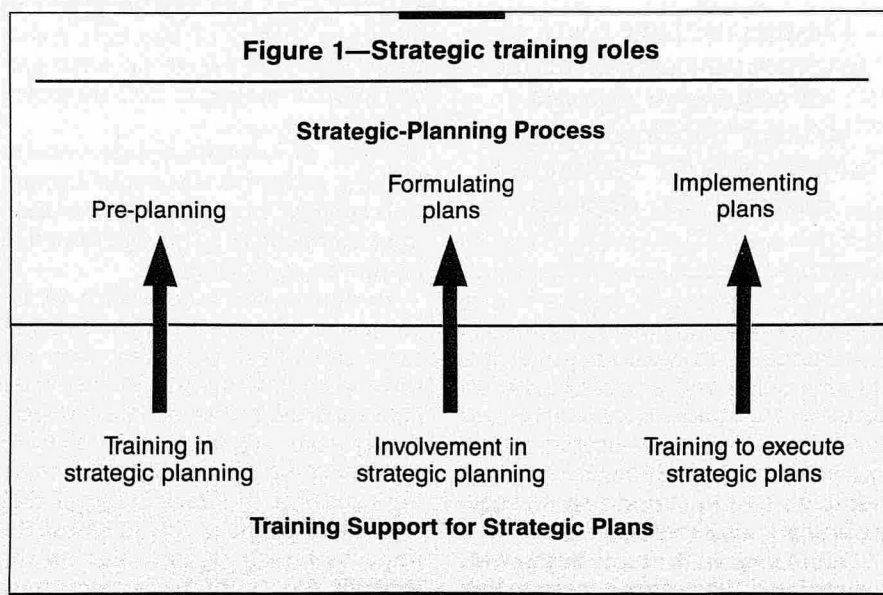
A recurrent strategic planning problem is that major problems surface during implementation that were not anticipated, such as finding out that employee capabilities are insufficient. Such problems might be avoided if training issues are openly and specifically discussed during the strategic planning process. To make sure that happens, trainers need to participate actively in the formulation process by

- gathering and providing training-related information for the planning process—workforce capability, competitor training programs, training department strengths and weaknesses, industry trends, and technology changes;

- influencing strategic decisions, either directly or through senior management, by helping the planners analyze complex human-resource issues and relate them to the organization's future strategy.

According to the American Society for Training and Development's competency study, the involvement of the training function in strategic business issues constitutes a vital new role for training professionals, requiring sophisticated new skills, including futur-

Figure 1—Strategic training roles



ing capabilities, industry knowledge, and organizational understanding.

Role 3: Training to execute strategic plans

Other strategic planning problems occur during the implementation phase if employees have not been adequately equipped with the skills, knowledge, and attitudes needed to implement the strategy. Most likely, such problems would be reduced if training helped to translate the strategic plan's mission, objectives, and functional action-plans into requisite competence.

In order to avoid such implementation problems, the strategic plan should constitute the driving force in determining the allocation of training resources, both human and financial. Needs assessment should be strategic, with the training-planning process timed to correspond with the strategic-planning process. In that way, continuous learning—accompanying continuous improvements in service quality, product quality, and technology—can become a cornerstone to sustainable competitive advantage.

The study

The 10 organizations we studied represented various industries: four were from manufacturing, two from finance, two from service, and one each from retail and transportation. The organizations differed in size: two were small (less than 1,000 employees), five were medium-sized, (1,000 to 10,000 employees), and three were large (more than 10,000 employees).

We used a 76-item questionnaire to interview training, human-resource, and planning managers. In the first part of the interview, we assessed the degree to which the organization had experienced problems in formulating and implementing strategic plans. The responses were combined to create a "strategic planning success" score.

The second part of the interview explored the extent to which training supported the strategic planning process. Questions covered each of the three strategic training roles, and we computed scores for each role.

Results

In general, organizations that scored high in one of the three roles also scored high in the others. That was especially true for the third role—train-

ing to execute strategic plans—which was highly correlated with both Role 1 (training in strategic planning— $r^5.756$) and Role 2 (involvement in strategic planning— $r^5.762$). It was less true for the relationship between the first and second roles, which exhibited only a moderate correlation ($r^5.446$).

The organizations that scored highest in the three roles also were the ones that have engaged in formal strategic planning for the longest amount of

time. For instance, when we combined the scores for the three roles, the top four organizations had been involved in strategic planning for more than 12 years. Of the other six organizations, only two had been doing strategic planning for 12 years.

two displays the least correlation ($r^5.126$). None of the roles, however, is correlated with strategic success at a significant level ($p^5.10$).

From Figure 2, it is important to note that the organization achieving the highest total ranking in strategic success is also top-ranked in training support.

Two interview items exhibit particularly high degrees of correlation with strategic planning success:

- the classification of the training director as first-level supervisor, middle management, or top management ($r^5.81$, $p^5.005$)—those organizations in which the training director was classified as top management tended to have higher overall scores of strategic success;

- the percentage of second-level managers (those reporting to the strategic planners) that received training in strategic planning ($r^5.61$, $p^5.059$)—those organizations in which a greater percentage of middle managers had received training tended to have higher strategic success scores.

A holistic approach

Our findings suggest several tentative conclusions. First, the three strategic training roles appear to be interrelated. For instance, those organizations that use training to execute strategic plans also tend to provide training in strategic planning and thinking skills; their training staffs also tend to become involved in formulating business plans. It is likely that using the three roles together constitutes a holistic and integrated approach to linking

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The relationship between the strategic training roles and success in strategic planning was less clear. Figure 2 compares the rankings of the organizations in "strategic-planning success," with their corresponding rankings for each of the roles.

Role one shows the highest correlation with strategic success ($r^5.429$), compared with role three ($r^5.398$). Role

Figure 2—Comparison of strategic-planning success with strategic training roles

	Strategic-planning success	Role 1: Training in strategic planning	Role 2: Involvement in strategic planning	Role 3: Training to execute plans
Rankings	1	1	1	2
	2	9	10	7
	3	8	6	6
	4	2	5	8
	5	2	4	1
	6	4	2	3
	7	6	8	5
	8	10	9	9
	9	6	7	9
	10	4	3	4

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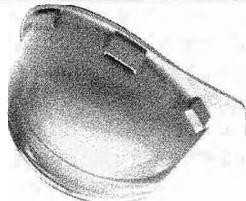
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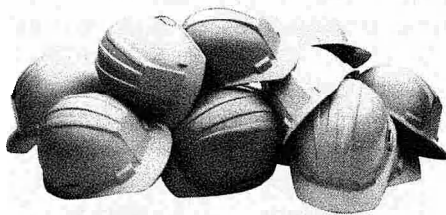
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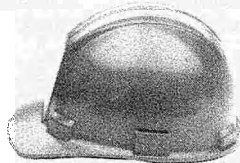
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training to business planning, with each role playing a key part.

Second, our findings suggest that the development of a strategic training orientation is an evolutionary process that must be managed and nurtured over time. The roles must develop in phases over many years as part of the growth of the organization's strategic planning capability. For instance, the longer an organization performs strategic planning, the greater the likelihood that it will link it with training.

The evolutionary process differs in each organization, according to which role emerges first, the relative importance of each role, and the timing of the process. To initiate such an evolutionary development, training professionals should carefully examine their organizations for opportunities, no matter how small, to begin linking training to business plans. In some organizations, the process may begin with providing training for strategic planners. In others, it may start with using strategic business plans to determine annual training plans.

When it comes to the impact of the three strategic training roles on strategic planning success, however, the results are inconclusive. Possibly because of the small sample size, none of the three strategic training roles shows a statistically significant relationship with strategic-planning success. Larger studies that examine the impact of multiple factors (such as the type of industry, business strategy, and so forth) may be more definitive.

Finally, the findings offer several crucial insights regarding each of the three strategic training roles.

■ **Role 1: Training in strategic planning.** Maybe the most significant implication of this study is that the training of middle managers in strategic planning and thinking skills may be essential for strategic planning success. Such training appears to be uncommon. Traditionally, training in strategic thinking and planning has been reserved for those few top executives charged with providing corporate vision and direction. Organizations are now recognizing that strategic success is less a result of how plans are formulated than of how they are implemented. And middle managers are the ones charged with interpreting, implementing, and expediting plans for each functional area.