

How Can HRD Be More Relevant?

Executives from four large, successful companies share their insights into what may well be the most urgent question for the training and human resource development profession in the 1980s.

Somehow, the HRD profession has struggled through its identity crisis to realize the importance of meeting business goals at about the same time that businesses are realizing the importance of HRD. More than ever, organizations are not waiting for new technology, competition and other much talked about environmental influences to cause a need for training and development interventions. Environmental variables are the focus of organizational introspection for determining what works best. Invariably, the answers are found in the realm of human resources—in the management, development and training of human capital.

Organizations in different businesses and industries have different needs and shape human resource functions to meet those needs. But, if the four companies featured in this month's Four by Four are any indication, a definite pattern of human resource emphasis is common. Quality selection, employee development, succession planning and business-related knowledge are critical HRD concerns. This list has a familiar ring, but firm support of HRD from senior executives and a direct relationship between strategic objectives and human resource activities make HRD a vital component of each company's business plans.

A new multimillion dollar, state-of-the-art training and education facility across the street from corporate headquarters is tangible testimony to the value of human resource development at Aetna Life and Casualty. Badi G. Foster, president of Aetna's Institute for Corporate Education and Training, discusses the Institute's

mission and philosophy, and how HRD professionals contribute directly to accomplishing organizational objectives.

Madelyn Jennings, senior vice president of personnel and administration for Gannett Co., Inc., explains why human resource development is fundamental in a news and information business that grows rapidly through acquisitions and new products.

At TRW Inc., human resource development and training have been emphasized for only six years. In fact, the company's performance appraisal system has existed for only three years. Despite a late start, HRD has arrived at TRW. Richard A. Eastburn, director of management development and education at TRW, describes how HRD strengthens business strategy.

Committed to human resource development and planning for more than 10 years, GTE Service Corporation's history of HRD activity has shifted from being reactive to strategic. GTE's vice president for human resource planning, Don Reek, echoes the importance of quality recruitment, employee development and executive continuity. He explains some of the methods used to support these goals.

Each of these companies has evolved its own ways to meet similar needs. That's the message: Some of the same areas need to be addressed in every organization, but using the organization's strategic business objectives as a foundation for human resource planning and development is what makes HRD relevant.

"Training that exists for its own sake is not relevant and will not survive."

Badi G. Foster is president of the Aetna Institute for Corporate Education, Aetna Life and Casualty, in Hartford, Conn.

Aetna's HRD functions, mainly education and training, used to have a life of their own. A program would be developed to respond to a particular problem or circumstance and then remain after the problem was solved. Beyond some basic keyboarding, typing and other skills courses, HRD activities were disconnected from the business plans. As a result, education and training came to be viewed as nice, but not necessary.

With deregulation of the financial services industry, one might say we're moving from the railroad industry to the transportation industry. We don't know who all of our competitors are. Rapid introduction of information technology is speeding up the business, and we're doing business in a global economy with new international factors to consider.

Aetna realized that a competent, adaptable work force is going to be decisive in how the company fares in the new market. We must be more serious about managing human capital—about connecting strategic business plans to strategic human resource plans—than we have been in the past.

When my colleagues and I began the Institute, we examined the key business objectives, determined the competencies needed to solve the business problems and analyzed our courses. Senior managers were surprised to learn of the disparity between HR activities and business problems, and how much time and money was spent on education and training. High-ranking line managers discovered that they weren't managing the human resources they had.

Training the right people at the right time in the right content and getting the right outcomes at the right costs requires a clear understanding of organizational purpose. The Institute's mission is to help achieve business goals through education. It sounds simple, but it's something we have to learn over and over again. We began by identifying the contribution of each HRD activity to achieving business goals and communicated to HR profes-

sionals that their job is to help accomplish those goals. To the extent that employees understand how their jobs and performance contribute to the organization's goals is the extent to which line people in the business will view HRD as value added and consider training necessary, not just nice.

Managers at the Institute are responsible for managing a unit within the Institute and for servicing a corporate division. This means getting to know the key people in a division, becoming totally familiar with that division's business goals and issues, and ensuring that it receives appropriate HRD responses from the Institute. Our role is to be a communicator/facilitator and "one-stop shopping place" for Aetna's education and training needs. Developing good relationships with key people in the division you work for gets you into the grapevine and uncovers the division's business issues. A client may believe mistakenly that a certain intervention or course is appropriate when it is not. Close, productive relationships with corporate clients enables the trainer to approach the situation knowledgeably and come up with a better alternative.

The biggest change in HRD at Aetna since the Institute may be our commitment to developing both the HRD skills of our trainers and their grasp of business-specific knowledge. Reading lists of articles and business-related journals help trainers understand the business context within which their divisions make decisions.

HR professionals with a knowledge of their clients' business and a business education outlook do not create programs that take on a life of their own. When programs are not tied directly to the real needs and goals of the division, cost center heads—line managers—will decide that training isn't important or relevant enough to maintain when budgets are cut.

Program effectiveness or monitoring goes beyond evaluating a course or instructor. From the start, both the trainer and the client should ask themselves, "How will we know if we made a difference?" The evaluation methods we use are the traditional ones, but what's important is applying them with the philosophy of a business education analyst. If you're a business education analyst, your mission is to achieve business goals through education, and you're reading more about the business of your client, then you'll always ask the question and be looking for appropriate evidence.

HRD has been searching for its professional identity for such a long time that it's drifted away from the end user. The reaction of line people when they encounter an HR person who really knows his or her business and who's prepared to ask hard questions and say, "Maybe education isn't the answer to your problem," or "Maybe we can find a cheaper way of doing it," is very positive. Internal clients begin to believe that the HRD people really are there to help get the job done in the best, most economical and efficient way possible.

The recommendations:

1. Too often, trainers view being an HRD professional and training as an end in itself. This tendency detracts from the relevance of training, leaving programs to take on a life of their own. Examine business objectives and then determine the key competencies necessary for solving those problems. Do existing courses support those competencies? Are changes or additional programs necessary?
2. Keep in touch with your learner. Believe it or not, getting out of the office and spending time with the division you serve is the best way to develop communication links for keeping in touch with business issues, concerns and shifts in taste of your learners. Keeping in close touch with the people who do the business helps the trainer respond with appropriate education and training that's economical and targeted to the right people at the right time.
3. Training evaluation and monitoring go beyond simple evaluation of a course or instructor. From the beginning, both the trainer and the client must ask, "How will we know if we made a difference?" There is no shortage of methods and techniques for evaluating training, but what too often is missing is the evaluation mindset. Evaluation is not merely a last step in the training process, but a continual concern of the trainer.
4. Be knowledgeable about the business context. Business knowledge enables trainers to discriminate among the techniques and applications that best meet business objectives.

"With more than 50 percent of costs being people costs, human resource management needs to be tied to strategic business plans."

Madelyn P. Jennings is senior vice president, personnel and administration for Gannett Company, Inc. in Rochester, N. Y.

Delivering news and information to readers, listeners and viewers is our business and 50 percent of our costs are people costs. With that much riding on people, hiring and developing the right people is extremely important. Quality selection and development means less cost.

From part-time inserters of Sunday supplements to the publisher of *USA Today*, the corporation is driven by people costs. Technology affecting the industry is important, but it's really just an instrument for getting the work done. The individuals who use the technology determine the quality and success of our products in the marketplace.

HRD people play an important role in helping the managers, who actually do the picking and developing of employees. Managers often select people like themselves, but our experience has been that a diverse group produces better work. An HRD person will play devil's advocate to ensure that talent is varied.

Acquisitions have been a major source of growth in the past. Bringing on new companies means bringing on whole new organizational systems. We leave the subsidiaries autonomous in certain areas, but acclimating to the parent corporation is necessary too. Gannett has specific standards on performance appraisals, management hiring, selection, product standards, EEO commitment and the budgeting process. But new employees want to know what kind of company Gannett is and how they will be treated. Corporate staff meet with operating committees from new companies and also with employees in informal sessions. This allows employees to put a face with the name at corporate and to get to know us better. We provide information, answer questions and in general, convey the idea that we're here to serve the organization by extending communication between corporate and the subsidiary. A film about Gannett shown at these meetings is uplifting and helps eliminate fear of new

ownership. In addition, the *Gannetteer*, a professional monthly magazine, publishes features about new subsidiaries. Every effort is made to make the new companies feel included.

New products are another source of growth. When *USA Today* was launched, Gannett people were pulled to staff the new paper, leaving gaps in other areas. Having people who are ready to fill slots and make smooth adjustments during major shifts is essential.

Our management development program is an important employee development strategy. The program involves high-potential professionals in diverse areas. Not a short-term program, the plan adds to the individual's usual job and includes a track of continual local and corporate activities. A trainee will:

- develop an off-site team-building seminar for his or her unit's top executives;
- cross train in other departments (i.e., a newsperson might receive training in the advertising department);
- use a management reading list;
- share in the boss's mail as much as possible;
- act as project leader for budgeting in a unit and participate with the publisher and finance manager in setting projects and determining capital appropriations;
- accompany the auditor to gain understanding of the process;
- recruit at college campuses to learn what to look for in new hires;
- identify and select his or her replacement.

Moving from functional positions to general management is a big step. The management development program is low-cost training that extends employees' experience and grooms people with potential so that they can grow into a management position rather than land in it cold. Tailored to Gannett by Gannett, the program strengthens the overall operations of the corporation by producing a qualified pool of people who are prepared to assume positions of increased responsibility.

Corporate has learned that they need to listen to what managers are saying. We conduct training needs assessments throughout field management and use that information to target training and development applications. When a training needs assessment revealed a need for training in circulation and sales, we reviewed available programs, but decided we needed to develop our own standards and procedures. Using consultants to help

analyze needs and design programs, Gannett now has its own tailor-made systems for selling and circulation functions that are suited to the company and that will adapt to change. With approximately 50 percent of our middle and top managers in their jobs for less than two years, these programs will go a long way toward maintaining high performance in sales and circulation despite personnel shifts.

The recommendations:

1. Although the number of Gannett people specifically involved in human resource management is small, they are high level and highly competent. They use information from the corporate business plans to manage the variables affecting operations. A lot of time is spent forecasting human resource needs, analyzing performance, identifying shortages and assessing the impact of new technology. The key is to know where the business is and where it is going in order to make sure that training and development activities respond appropriately.

2. Many of our training dollars have not been invested wisely in the past. The needs assessment and detailed analysis is a basic, but essential process. Programs must be targeted to real needs to be relevant to the organization's goals.

Targeting training doesn't always mean investing in expensive, custom program designs. Since we've developed our HRD lending library to include everything from sophisticated packaged programs to books and films, and communicated with managers in the field about what's available, the request rate for resources has tripled. New managers are using the resources to get their staffs up to speed in their functional areas.

3. Career development is the responsibility of the individual, but the HRD person should also be involved. Career development brainstorming with someone who is credible, trusted and accessible, who knows the business and the corporation, and who is not tied to the individual's daily situation, serves a real need. Performing this role provides a safe environment for career discussions and asking questions. The relationship can help retain valued employees and assist those for whom a different job is appropriate.

4. HRD people may or may not be involved in recruiting, but they should always be on the lookout for the right fit.

Recruiting is not just a replacement task, it's a continual concern. Knowing the kind of person who will succeed in your company, finding the best candidate and getting him or her in the door is a real talent requiring involvement, commitment and interest. There's every reason to be interested in recruitment because getting the right people has a tremendous bearing on the flow of talent so crucial to many businesses. Picking successful players is also a lot of fun.

"The HRD person who understands the business and how it works is equipped to support the organization's business goals."

Richard A. Eastburn is director, management development and education at TRW Inc., Cleveland, Ohio.

In the six years I've been with TRW, our human resource development programs have become more connected to TRW's overall business plans. Surprisingly, managers don't always know what business they're in. Much of our work focuses on helping managers identify priorities. A manager I worked with at another company targeted a goal of increasing the firm's market share by five percent. The organization was part of a stable industry and the manager had no plan or specific actions in mind for accomplishing the goal, or even a clear idea of whether the goal was appropriate. With a stable market, the costs would likely outweigh the benefits of the goal. This indicated that the manager didn't really understand the nature of his business.

The HRD person who understands the business in which he or she works is equipped to support the organization's business goals. HRD people should be business minded and understand strategy, policy development and other areas that complement the social science background of many HRD people.

Functional competence is another important factor. In large organizations, the competence of staff professionals in law, finance, human resources and other areas tends to degrade. The syndrome may be due in part to organizational factors, but

being competent requires maintaining up-to-date functional skills.

Facilitating role shifts through training and education is of particular importance at TRW. We concentrate on four major role shifts that occur throughout a manager's career. The transition from "doer" to first-line manager is the shift from a day-to-day time line and singular responsibility to accomplishing a week's production schedule and supervising 20 or more employees. The second shift is to managing and supervising educated, professional people with a time horizon of one to five years, a plant manager for example. Third is the shift from operational management to managing multiple operations. The time horizon extends from five to ten years. Issues involve products, markets, how to stay competitive and other business strategy concerns. The problems are more abstract, and assessing the effectiveness of decisions is more difficult.

At the top are the 30 to 40 managers who work with an institutional focus. These are the CEO, vice presidents and some group vice presidents. They're interested in the growth of the entire organization, policy development, competition, strategic planning. Decisions can have an impact on the organization that persists for more than 50 years, involve more risk, take longer to make.

Programs for first-line management, manufacturing for non-manufacturing managers, plant management and manufacturing for executives have been developed in the last five years to address the critical role shifts.

In addition to planning and development, the human resource function at TRW is designed to respond to urgent needs. An example of how this works is a large multinational company that had severe cash flow problems during the oil embargo. The company's key HRD person was charged with developing and implementing a course designed for people controlling inventory, receivables and collectibles. After about 18 months, more than 600 employees went through the course. The result was a net \$600 million improvement in cash flow, simply because immediate, well targeted training was applied to the problem. Most organizations aren't used to this kind of responsiveness from HR departments, but opportunities for demonstrating the value and effectiveness of human resource development to top management, either in the form of increased competitiveness or dollars, do exist.

Managers in the 88 divisions are not always aware of how training problems are handled or what help is available. Without centralizing functions, we're building company-wide programs by distributing responsibility to the executive vice presidents and line managers in different divisions. This gets the task accomplished, enlarges the pool of energy and imagination, provides additional resources through cooperation among human resource professionals in different areas and affords career development for line people involved.

The recommendations:

1. Knowing business strategy and priorities assumes product knowledge and an understanding of business dynamics. The relationship between HRD and business goals for line managers at TRW is based on a rigorous process of determining business needs and helping managers to be more strategic in what they do. If you try selling a state-of-the-art ship propeller to a commercial cruise line because the new device will accomplish the trip a day faster when the enterprise is interested in the retail liquor sales it can cash in on during that extra day, you're not knowing your business.
2. In addition to being business minded, a solid foundation of fundamental skills is absolutely necessary.
3. Focus on the most important roles and role shifts. Regardless of the industry or business, the effectiveness of individuals new to key positions is an important human resource issue.
4. Maintaining close communication among human resource people in the field through a network is efficient and results in better services. In addition to the benefits of collective input, an intra-organizational network of human resource people enables company-wide programs to be implemented more easily. TRW has had a formal performance appraisal system for only three years. Acceptance of the program has grown because line people and executives were included in the overall plan, working with human resource people in respective divisions. A cooperative network also means more trainers when they're needed, more creativity in problem solving, more insight into problems and their solutions.

“The focal point for development is driven by the need for future replacements and filling new jobs that will evolve.”

Don Reek is vice president for human resource planning at GTE Service Corporation, Stamford, Conn.

GTE's business is dominated by telecommunications manufacturing and services, but the corporation also operates more than 40 other diverse businesses called strategic business units (SBUs). The human resource function is served at the business, group and corporate levels, with the corporate human resource planning staff overseeing and coordinating human resource strategy company-wide. In earlier years, when GTE was growing mainly through acquisitions, human resource activities were reactive responses. In recent years, as technology and new markets have replaced acquisitions as the stimulus for change, a more strategic human resource planning approach has replaced the reactive measures.

With more than 180,000 employees at different levels in integrated and diverse industries that are highly susceptible to technological change, human resource planning plays an integral role at GTE. We have a strong commitment to developing and promoting from within and moving people across business lines whenever practical.

The focal point for development is driven by the need for future replacements and filling new jobs that will evolve. We identify key positions in each area and analyze, according to business plan objectives, how these jobs will change over time. Working with line managers, who are responsible for pinpointing qualified employees, human resource planners at the SBU level construct strategic human resource plans to provide targeted individuals with the development activities they'll need to fill key positions. The corporate and group HR staffs work with the human resource managers at the SBU to facilitate the process, observe patterns in HR needs across businesses, provide feedback, catch oversights and assure cost-effectiveness.

A formal executive continuity program fulfills the development and succession planning needs of upper level executives, but the concept is implemented throughout the ranks. Everyone has the opportunity to grow professionally. Selected assignments is a primary source of management development. Managers are placed in "fix-it" or start-up situations that are different from their usual work. The assignments encourage flexibility and instill knowledge that prepares the manager for promotion or crossing business lines.

Policy on engineering and scientific education places responsibility on line managers to design individual education plans for meeting the strategic technical needs of the business, and the professional development and currency needs of the employee. This policy enables professionals to participate in their own career development and helps us accomplish our business goals. Managers are aware of the business strategies for their operational areas and are actively involved in keeping their people current and developing them to meet the changing technical environment of the business.

Other sources of employee development are the associate programs for entry-level employees in finance, marketing, human resources, engineering and some other areas. A select group of graduate level campus recruits are put through a series of six-month rotations on various assignments at different organization levels. After the rotation period, the trainee's credentials, complete with education and company work experience, are forwarded to the human resource departments at the SBUs. The trainee may receive multiple job offers from which to choose or be placed in a permanent assignment according to need and availability.

Human resource planning has been a high priority at GTE for about 10 years, but it takes time to get good at it. The process never ends. Viewing human resources in the long term puts heavy emphasis on high-quality entry-level selection and continual development for promoting from within.

The recommendations:

1. Begin human resource planning and development at the selection stage. We're extremely particular about whom we hire, regardless of whether the person is recruited into an associate program, off the campus in general recruitment or from the work force. Because each entry-level hire is a candidate for long-term development and career growth, high standards are a key human resource consideration.
2. Targeted knowledge and skill training are essential. Analyze business plans regularly to identify new skill requirements and those skills that are or will become obsolete. Training and development activities should correspond in a planned, strategic way to changes in technology, methods, job design, markets—the same factors on which business plans and objectives are founded.
3. Diverse, selected assignments such as "fix-it" and start-up situations provide developmental experiences that complement formal knowledge and skill training. The goal is to provide a varied background of different responsibilities to produce managers who are knowledgeable and experienced.
4. The executive continuity program is a structured succession planning effort that works, as the name implies, to maintain continuity at the top decision-making levels and stability throughout the organization. The continuity program serves as an umbrella for company-wide human resource development and planning. Having a solid human resource strategy at the corporate executive level preserves continuity over the long term and reinforces the importance of strategic human resource planning throughout the corporation.

