

# WHITE-COLLAR TRAINING TAKES MANY FORMS

*Sharp & Oughton study shows extent of white-collar training*

During 1968, Sharp & Oughton, Inc., a management consulting firm that specializes in business-planning and new-profit opportunities, undertook a study of the white-collar industrial training market in the United States. The program was sponsored by several U. S. organizations to provide objective background information and forecasting indicators necessary for effective market and business planning.

While the findings and conclusions of the report are confidential to the privileged co-sponsors, a great deal of pertinent information about the general status of the training field was obtained. It is this general information that forms the basis of this article.

Five major areas of white-collar industrial training were evaluated during the course of the study. These areas are:

- Management development and supervisory training
- Data processing training
- Training for clerical and related occupations
- Sales training

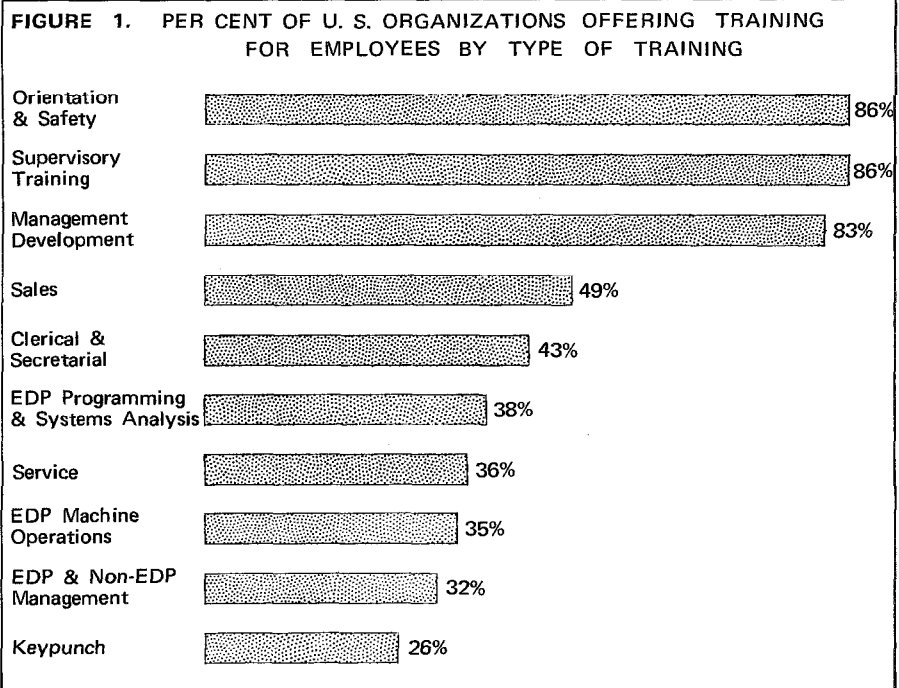
- Orientation and safety training

These individual areas will be discussed separately in the course of this article.

This year more than 35 million people will be employed in white-collar jobs in the United States. Approximately nine million of these employees will be exposed to some type of training provided by their employers.

Among the more than 800 organizations contacted during this study, one-half reported that their training function was centralized under the direction of a full-time training official. These organizations (including those organizations in which the training function is not now centralized) anticipate greater centralization of the training function over the next five years.

Figure 1 shows the percentage of U.S. organizations offering training for employees by the type of training offered. The three areas of training most frequently provided for employees are: orientation and safety, supervisory training, and management development (including executive and



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middle management development).

The training of programmers and systems analysts absorbs 80% of the data processing training dollar today and will continue to do so for at least the next five years. It is expected that greater emphasis will be placed on the training of data processing managers and on the orientation of non-data processing executives to the concept of data processing.

### START OF A TREND

Prior to World War II, formal training programs for managerial personnel were limited in number and in breadth of coverage. In an effort to ease a critical manpower shortage during the war, the War Production Board developed the Job Instructor Training Program (JIT) for supervisors, and Engineering Science Management War Training Program (ESMWT) for managers.

JIT was a program to provide supervisors with the skills and abilities necessary to capitalize on their job know-how. Institutes were established throughout the country to train supervisory personnel in how to translate their own job knowledge into greater productivity from their subordinates. These institutes examined human relations between supervisor and worker and assisted in determining the best job methods. Almost two million persons participated in 10-hour JIT programs during the war. ESMWT was inaugurated because of the growing complexity of production and distribution spurred by the war, and the realization that more formal training programs were required for upgrading in college level subjects. These programs were conducted in almost every phase of management or technology.

### THE TRAINING ORGANIZATION

Both programs had a decided impact on postwar industrial training. The success of the JIT program convinced

industrial management that proper training of supervisors created greater productivity and harmony than previous on-the-job apprenticeship programs. The ESMWT program proved that management could perform more efficiently and intelligently when properly developed through increased formal training. Colleges and universities, even before the war, had begun development of field-tested management training programs. These were refined during the war and subsequently were made available at an acceptable cost to industry. With the success of wartime programs, industry turned increasingly to such sources for help in supervisory training and in management development.

This enlargement of training services led naturally to an expansion of the training "organization" within industry. The programs of universities had to be scheduled and implemented, modifications designed to make some programs more applicable to specific company situations, and alternative approaches sought.

On-the-job training and job rotation are practiced by almost all organizations and should actually be considered a means of continual self-development. Less than 10% of the organizations contacted, however, use such methods to the exclusion of all others.

### MANAGEMENT TRAINING

Case studies, lectures, and discussion groups are the principal forms of instruction employed by virtually all organizations. Many management and supervisory training programs rely heavily on case problems, closely related to the individual organization's own operations; therefore, cases used are often developed in-house. In fact, only 1% of the organizations surveyed expressed any interest in acquiring case histories from outside sources.

Business simulation (or "business games") is a training method in which the participants often are divided into

teams, with each team representing the top management of a simulated organization. Simulation techniques and game-playing are used by about one-half of the U.S. organizations providing management and supervisory training, among which about two-thirds believe the method to be useful.

Most organizations stress five major areas of management and supervisory training: communications, human relations, decision making, planning, and problem solving. Figure 2 shows that more than 90% of the organizations contacted during this study offer training courses in communications and human relations. More than 70% offer courses in decision making, problem making, and planning. The training of executives and top corporate and governmental officials is almost exclusively conducted at executive development programs conducted by major universities. Managers at the middle of the corporate pyramid are exposed to a combination of development courses offered by their own companies as well as colleges and universities, trade associations, and private consultants.

Approximately three-fourths of the organizations offering middle management training to their employees develop or administer some part of the programs themselves. The main reasons for utilizing in-house resources for middle management training are:

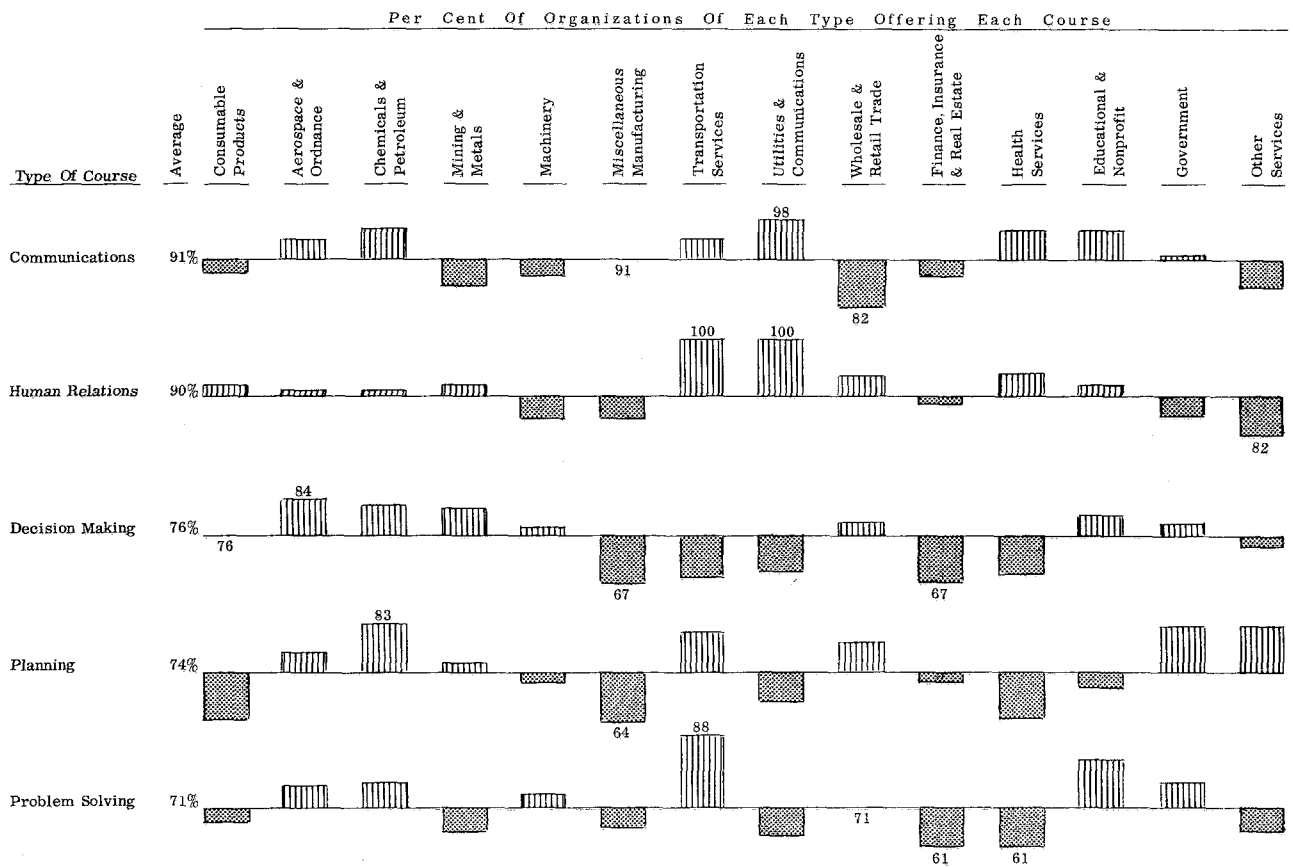
- In-house programs are less expensive, if large numbers of personnel are to be trained
- Programs developed in-house can be tailored to the organization's specific needs
- Outside courses are generally considered to be too broad and too general

### TOP LEVEL MANAGEMENT

Management development programs for top-level managers deal generally with broader concepts. The requirement is exposure to varied disciplines

FIGURE 2.

INCIDENCE OF USE OF SELECTED COURSES IN SUPERVISORY TRAINING & MANAGEMENT DEVELOPMENT



and not so much how to deal with specific problems. Such programs, therefore, are more apt to be conducted off-premises, creating an environment more like that of an educational institution and more conducive to intensive study and reflection.

The primary reasons for using outside organizations for executive development programs are:

- Qualified personnel (or those whom top operating executives might respect) are not available in-house
- There is greater opportunity for participants to meet with executives from other industries and, consequently, to gain other views of common management problems

- Participants are removed from day-to-day operational pressures
- University faculty members and other experts in a given field can be more fully and advantageously exploited

PROBLEMS IN TRAINING

The most pronounced problem facing training is this: there is no realistic method to determine if the training has resulted in any behavioral change in the trainee. There is, therefore, a serious need for a method to evaluate effectively the actual accomplishment or worth of a specific program.

During this study it was determined that a sizable portion of all organizations contacted feel that outside man-

agement training programs are much too generalized. Management officials expressed the belief that many courses could be directed specifically to an industry or an organization. Commercial training consultants however, claim that many programs could not be custom designed except at a prohibitive cost. In short, organizations appear unwilling to pay for what they claim they want.

Related to this problem is the general opinion that organizations do not identify problems correctly before they send people to a training program. Many organizations indicated this and said they were seeking a method to identify the specific training need.

## DATA PROCESSING TRAINING

Virtually all U. S. organizations with computer installations provide some kind of data processing training for their employees, conducted either in-house or by an outside organization.

Data processing training may be divided into three basic categories:

- *Data processing management training* - this type of training is designed for all levels of operational personnel involved in the management of data processing installations. The training is designed to provide an understanding of the concepts of data processing systems and their management.
- *Programming and systems analysis training* - this type of training is for personnel involved in preparing machine logic flow charts and responsible for formulating logical statements of problems and procedures for computer problem solving.
- *Data processing equipment operations training* - this is primarily for personnel involved in actual computer operation (including unit record input equipment). The purpose is to instruct personnel in the physical operation of their equipment.

Programmers and systems analysts receive the greatest amount of training because their jobs require a high degree of applicational knowledge as well as technical competence. A relatively long lead time exists between the time such personnel are initially employed and the time they are fully productive. Because of high turnover in these occupations, management must provide rather continuous training to maintain an adequate backup staff.

Computer and tabulating equipment operators, although they require specialized skills, have experience that is readily transferred from one company to another. These personnel, conse-

quently, usually require brief, on-the-job orientation.

## EDP MANAGEMENT

The training of managers in electronic data processing takes two separate forms because of the varying levels of experience of the participating management. Two-thirds of the computer installations in the U.S. employ fewer than 30 persons. The average number of employees per installation nationally is estimated to be about 20. The manager of a computer installation is usually the most knowledgeable individual in his organization on the subject of data processing, and there is no one to whom he can turn for training. Thus, he must depend on sources outside the company for furthering his knowledge in EDP management skills. Most often, this training consists of seminars conducted by computer manufacturers, trade associations, and computer consulting firms.

## EDP FOR NON-EDP MANAGERS

The executive or manager who has no prior experience in EDP, on the other hand, may be trained in-house by the data processing manager. Three out of five companies that offer executive computer concepts programs conduct such programs internally. The purpose of such programs is to explain data processing in enough detail to non-EDP executives that they may understand how a computer works and how it can help them to perform their jobs more efficiently.

Very few organizations cite economy as a reason for conducting non-EDP executive training courses in-house. As a matter of fact, in-house administered programs are generally more costly than those provided by outside organizations. Here are the reasons for using in-house administered EDP training programs:

- Quotas, or limitation of class size, in courses administered by computer manufacturers do not permit the training of a sufficient

number of executives.

- An outside training concern cannot meet specialized needs within a reasonable cost framework.
- Removal of a group of executives from the facility may disrupt company operations.
- Both the talent and the facilities for training exist within the company.
- Many firms are reluctant to depend on an outside firm for training.
- High cost and time are factors associated with the orientation of a consulting firm to a company's operation; also the fear of disclosing proprietary information discourages the use of outside facilities.

The cost of conducting non-EDP executive training courses in-house is generally buried in the data processing overhead account. Courses are developed and taught whenever time is available, administration is considered part of the installation cost, and the computer time utilized is often mixed with testing and debugging computer programs.

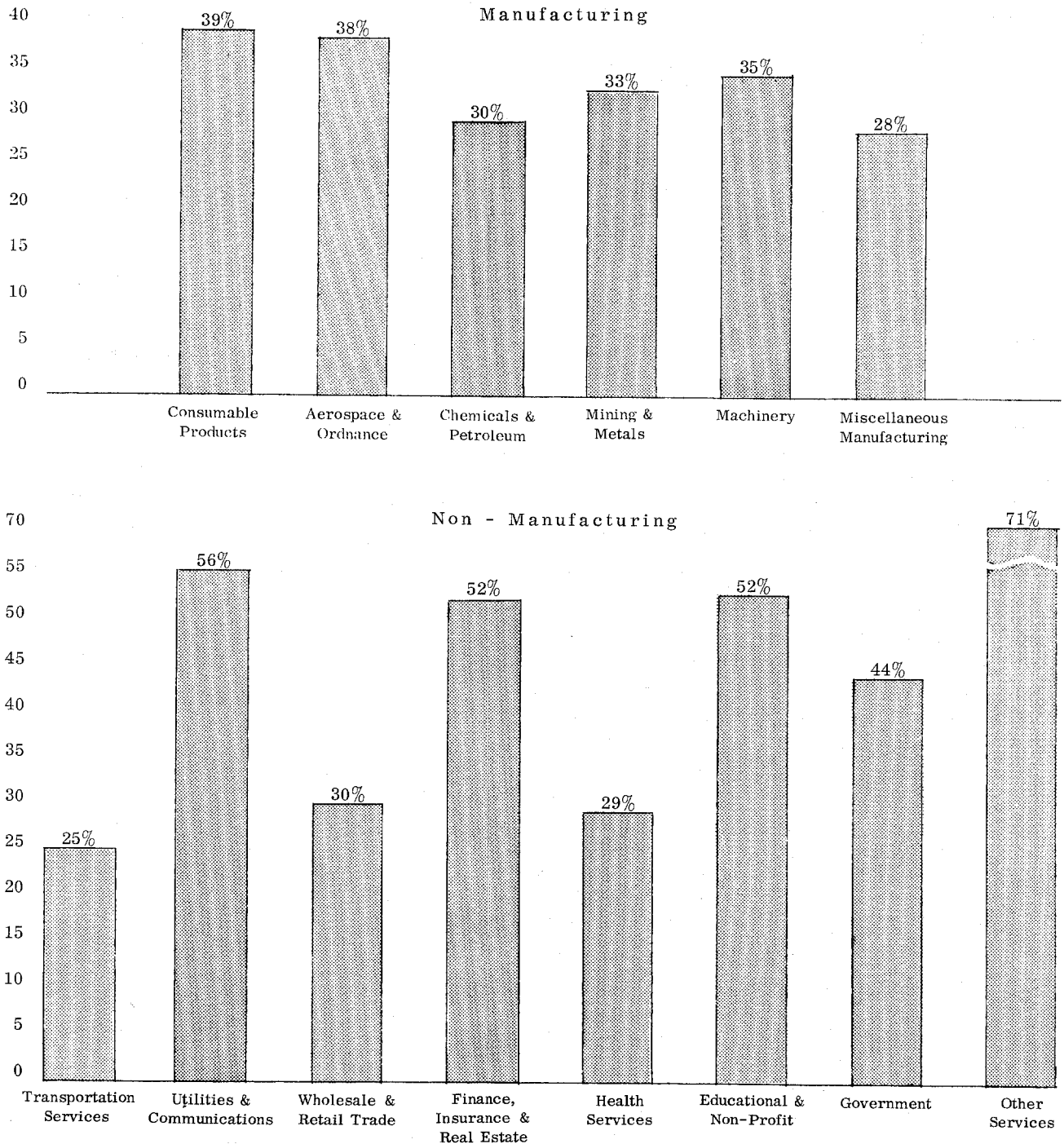
## CLERICAL PERSONNEL

Prior to the early 1950's, clerical-personnel training programs were rarely formalized. Informal on-the-job training covering job functions was generally the only sort offered. Skills, such as typing and shorthand, were acquired prior to employment through the use of high school courses, secretarial schools, etc. Organizations hired only experienced personnel and did not assume any training responsibilities.

Clerical training programs have been in flux over the past 10 years, however. Personnel and training directors have become aware of an increasing need to provide training to develop current employees and to fill the growing number of clerical positions. Today, 43% of American organiza-

FIGURE 3.

PER CENT OF U. S. ORGANIZATIONS OFFERING TRAINING IN CLERICAL  
BY TYPE OF ORGANIZATION AND RELATED FUNCTIONS



tions provide some kind of clerical training for their employees. As indicated in Figure 3, there are differences in training programs among

classes of organizations. In manufacturing industries, for example, where the employment of white-collar workers is proportionately lower than in

other classes, clerical training is provided in less than 40% of the organizations. In non-manufacturing industries, where white-collar workers make

up the bulk of the employee population, clerical training is provided by more than 50% of the organizations. This tendency is particularly significant in public utilities, financial and other service companies.

### CLERICAL TRAINING METHODS

Many organizations will underwrite personal education programs at approved schools if these programs are job related. Therefore, employees not exposed to in-house clerical training programs often have the opportunity, through their initiative and time, to expand their clerical skills by attending these schools.

Typing pools offer an employee with limited typing experience the opportunity to develop skills through actual job assignments. The employee will be exposed to a variety of typing jobs until she is assigned to a specific job, usually within one year of employment.

Classroom lectures normally are utilized for orientation to business procedures and clerical functions. Simulation is used in classes to develop a basic skill. This method is the most widely practiced of the formal clerical training programs. Classrooms are equipped with typewriters, secretarial desks, cash register checkout stations, bank-teller cages, key punch machines, etc. to provide practice in actual operations of the equipment involved. Classroom simulation also employs role-playing for trainees who will be involved in considerable public contact, and role-playing is used to expose the trainee to a communicative experience.

Seminars, case studies, and job rotation are utilized in some organizations for those clerical employees who are likely to attain more responsible positions. This may be considered a form of management or supervisory training.

### CLERICAL TRAINING COURSES

Figure 4 indicates the training areas covered for specific clerical positions.

**FIGURE 4. GENERAL COURSE AREAS INCLUDED IN CLERICAL TRAINING**

Courses Of Instruction	Job Functions							
	Secretaries	Stenographers	Typists	Bank Tellers	Retail Cashiers	Bookkeepers	Machine Operators	Receptionists
Typing	x	x	x					
Shorthand	x	x	x					
Brief Hand	x	x						
Machine Operation				x	x	x	x	
Communications								
English skills	x	x	x					
Effective listening	x	x	x	x	x			x
Reading	x	x	x					
Letter writing	x	x	x					
Report writing	x							
Public Contact	x			x	x			x

Most clerical training, whether formal or informal in administration, is related to job function. Training of secretaries or stenographers covers a broad array of courses because these positions generally involve more diversified functions and responsibilities. Typists are generally involved in developing typing skills, but they are also exposed to communications courses. Employees such as bank tellers and cashiers are concerned primarily with job procedures and machine operations. Since these employees are in constant contact with the public, courses in effective listening and customer or public relations are also provided in many instances. Receptionists, because of their contact with the public, are also exposed to communications courses.

Of the organizations that provide cler-

ical training, more than 75% develop and administer the programs in-house. The principal reasons for utilizing in-house resources are:

- In-house programs are less expensive if large numbers are to be trained.
- Programs developed in-house can be tailored to the user's business specialty and need.

### CLERICAL TRAINING SOURCES

Many organizations supplement in-house programs by using trade associations or consultants for developing clerical training materials. Material developed outside is then used for in-house administered programs. The banking industry is the prime user of trade-association developed material, particularly for clerical training courses. It makes extensive use of courses

and materials offered by the American Institute of Banking.

Of approximately 12.5 million U.S. clerical employees, more than four million will receive some form of training this year. More than 20% of those trained will participate in formal classroom programs. The remaining trainees will experience primarily on-the-job training.

A few business organizations have recently adopted high school cooperative programs. These programs are designed to offer actual office experience for high school girls enrolled in business and clerical courses. The Teletype Corporation, for example, employs 15 school girls on a half-day basis. Beginning with their junior year, the girls attend high school courses in the morning and work in the afternoon. Upon graduation, they are employed by Teletype in regular secretarial positions.

Organizations that provide formal clerical training generally use in-house personnel for instructional purposes, either on a full-time or part-time basis. The materials used by in-house instructors are frequently obtained from outside sources such as publishers, equipment manufacturers, associations, etc.

Correspondence courses and programmed instruction are utilized primarily by financial, communications, utility, and wholesale/retail organizations. Within the wholesale/retail industry, however, customized rather than off-the-shelf programs are used. This practice is followed because of product specialties within each organization.

Correspondence courses and programmed instruction are often used in clerical training for two reasons:

- Clerical jobs are procedural in nature
- The large number of part-time employees with irregular working hours prohibits formal classroom programs

Correspondence courses and programmed instruction offer great flexibility for part-time employees. They enable the student to proceed at his own rate and allow the instructor to be a troubleshooter. Thus, it is felt, more time can be spent on productive instruction rather than on organizational problems.

### SALES PERSONNEL TRAINING

Almost five million people are employed in sales occupations today. Although many organizations rely strictly on on-the-job training for sales personnel, there is a growing awareness of the need for proper and formalized training.

Training a salesman is extremely costly when prolonged over many months through on-the-job training. A real need exists to accelerate a salesman's development so he will begin producing quickly. An increased need exists for deeper product knowledge which is best taught in-house. Other needs include a more comprehensive understanding of selling techniques and human relations.

Many refinements are taking place in sales training which are by-products of other forms of training, such as the use of video tape recording, computer simulation, classroom-by-wire, and other sophisticated approaches.

### WHO CONDUCTS SALES TRAINING

About 49% of U. S. companies provide sales training for their employees today. The training of sales personnel ranks fourth among ten classifications of white-collar industrial training areas.

Sales training, similar to other areas of specialized training, is usually administered by the sales manager or his counterpart on a decentralized basis. About 58% of companies contacted indicate that their programs were conducted exclusively by sales management personnel; 12% coordinated training between sales management

and the corporate director; and 30% administer programs chiefly by the training or personnel manager.

The two principal reasons for heavy training involvement by the sales manager are:

- Sales training is fundamentally on-the-job exposure to products and selling techniques. Some firms believe it is best left to the sales manager whose expertise, daily contact with the field, and knowledge of his salesmen qualify him for the administration of training.
- Sales meetings, conducted by management, are considered adequate sources for information on new products, identification of problem areas, and opportunity to build group enthusiasm.

### SALES TRAINING METHODS

Although many organizations utilize formalized programs which incorporate conventional lectures, discussion groups and simulation, most sales training programs merely involve on-the-job training, sales meetings, clinics and workshops. Each is intended to serve a different purpose, as follows:

- *On-the-job training* - to learn selling techniques and customer applications under the direction of an experienced salesman
- *On-the-job rotational training* - to gain an appreciation of other facets of the company, such as production, accounting, shipping, etc.
- *Sales meetings* - to learn new products, to identify problem areas, to offer salesmen the opportunity to gain greater rapport with management and to build group goals and enthusiasm
- *Sales clinics or workshops* - to improve selling skills through the use of role-playing on video tape, simulated sales presentations and critiques

Only 28% of respondents in the study indicated that their trade sales train-

ing programs are organized centrally and headed by a full-time official. Almost 8% conduct training on a decentralized basis with a full-time official. About 30% use only on-the-job instruction. About one-third of trade sales training is a combination of on-the-job training and some formalized approach.

Most retailers rely on on-the-job training conducted by the employee's immediate supervisor. It is believed that training can be best controlled at this level because of the supervisor's intimate knowledge of the job and of the individual being trained.

Financial organizations are the primary trainers of service-oriented salesmen. Sales people, who comprise nearly one-fifth of this group, are especially important to the insurance, real estate, and financial communities.

#### **INSURANCE SALES TRAINING**

During the first five years of his employment, the average insurance salesman will put in a total of 60 to 70 hours a week on the job and in training. During the first year, the salesmen will generally attend the Life Underwriters' Training Council course one night a week for two semesters. Instructors in this course are sales managers of insurance companies. The Chartered Life Underwriters and the American College of Underwriters also form numerous study groups which meet in the evenings for about a year. In addition, insurance companies often send their salesmen to local universities which offer specialized courses in insurance. Major insurance companies will also conduct specialized schools and seminars for their salesmen covering areas such as pension plans, profit-sharing plans, deferred compensation, advanced sales techniques, etc.

Most insurance training is conducted at the local branch level and is coordinated by the manager or general agent. The most commonly used materials are developed by the Re-

search and Review Service of America, Inc., which sells courses that can be used by most insurance companies.

#### **FINANCIAL SALES TRAINING**

Some 73% of financial houses in the U.S. provide at least one type of sales training today. Most sales employees in this industry must pass certain state requirements for licensing, and employers assist their salesmen in meeting these requirements by providing for beginners. Stockbroker trainees must go through a six-month informal training program and must be registered as representatives of the firms they represent by passing a written examination of either the National Association of Securities Dealers or the Securities and Exchange Commission. All states require prospective real estate agents to pass written examinations as well. Insurance agents and brokers must secure licenses in their states, obtained through passing a written examination.

Training programs are sometimes quite elaborate. Trainees receive classroom instruction in the technical aspects of their profession, in public speaking, and in business communication. Most of these programs are administered in-house, although outside assistance is sometimes sought in the planning and basic development of the program. This assistance is usually provided by the consultant or a professor from a local university. In small firms, training may be relatively informal and brief. The trainee may take correspondence courses or read assigned material and observe other salesmen transacting business.

In many brokerage houses, including all those which are members of the New York Stock Exchange, the training period lasts for at least six months. In large firms, trainees receive in-company classroom instruction in subjects such as security analysis, finance, and public speaking; supplemental courses at colleges and universities; and also on-the-job training.

#### **BANKING SALES TRAINING**

Formal school type programs are typical in larger banks, and informal programs are used by smaller banks. Because banking requires broad knowledge in accounting, law, and economics, as well as specialized knowledge in selling skills, these programs are often considered as part of a management development program.

After several years of exposure to banking operations, a man may be chosen a candidate for marketing the bank's services. Broad banking policy procedures may be taught in-house, and specialized training is received from universities and trade associations.

The American Institute of Banking (A. I. B.), in its Chicago chapter, for example, provides training for more than 3,000 bankers per year. The A.I.B.'s Department of Information and Marketing provides six courses in public speaking, letter writing, and communications.

#### **ORIENTATION AND SAFETY**

Prior to the 1950's, orientation and safety training involved little more than informing new employees of the organization's rules, regulations, and employee benefits. In most instances, orientation meant nothing more than a brief oral presentation by the personnel department on the day the new employee was hired or by the employee's immediate supervisor at the work location.

The growing number of production line employees, more complex installations, and an increasing realization of safety's relationship to productivity has similarly led to a more comprehensive approach to safety training.

Large organizations (those with more than 5,000 employees) now place more emphasis on orientation and safety training than do medium- or small-size organizations. The two prime reasons for this are:

- Large organizations employ a



great number of people in highly complex decentralized operations

- Large organizations generally have a greater need to educate new employees about the organization's operations, products, policies, regulations, benefits, etc.

During the next five years, American organizations will continue to place a high degree of emphasis on orientation and/or safety training. Overall, orientation and safety training was ranked third most important, surpassed only by management development and supervisory training. About one-fifth of the transportation service, health service and educational and non-profit organizations ranked orientation and safety training as the most important over the 1968 to 1973 period.

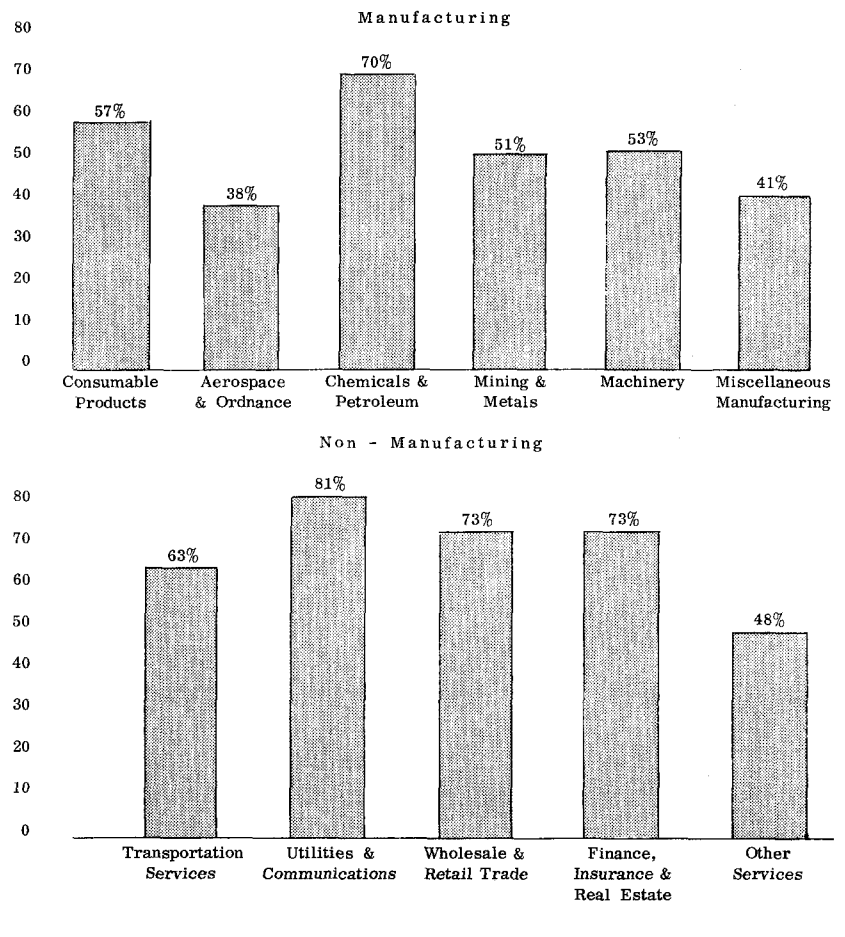
### ORIENTATION METHODS

Orientation consists primarily of an introduction to four basic areas—the job, the product, the company, and the industry. Despite the growing complexity of organizational life, however, the approach to orientation has remained informal. As shown in Figure 5, about one-third of American organizations which provide orientation training prefer to administer this training through a central personnel department. The majority of the remaining organizations place the responsibility on the local branches and immediate supervisor.

The use of outside sources for orientation training is very limited because most organizations feel orientation is a personal experience for new employees. It is also felt that too much outside participation would inhibit organization enthusiasm.

Some organizations do utilize a trade association for industry orientation. Trade associations are used for orientation programs primarily because they provide an inexpensive introduction to a total industry which a member organization can then implement

**FIGURE 5. PER CENT OF U. S. ORGANIZATIONS OFFERING TRAINING FOR SALES EMPLOYEES BY TYPE OF ORGANIZATION**



with in-house programs covering points peculiar to that organization.

The materials used in an orientation program usually consist of manuals or booklets. The content of an orientation program is usually written by the personnel department and produced by a professional printer or photographer. Organizations offering orientation programs to their employees are, in most instances, not interested in outside assistance in the development of the program. A few materials may be produced by a trade association, however, such as the American Institute of Banking, for the purposes of industry orientation.

Informal orientation will use standard manuals, and in infrequent instances,

programmed instruction of correspondence courses. These are used primarily for special purposes rather than as a general rule.

### SAFETY TRAINING METHODS

Safety training for white-collar employees is normally a part of an orientation program, which covers organization rules and regulations. A special safety program is directed almost exclusively toward blue-collar production workers involved in production or equipment or machines. In most instances, supervisors will attend a safety program and then be responsible for passing the information on to the subordinates.