

Quick Response Beats Long-Term Planning

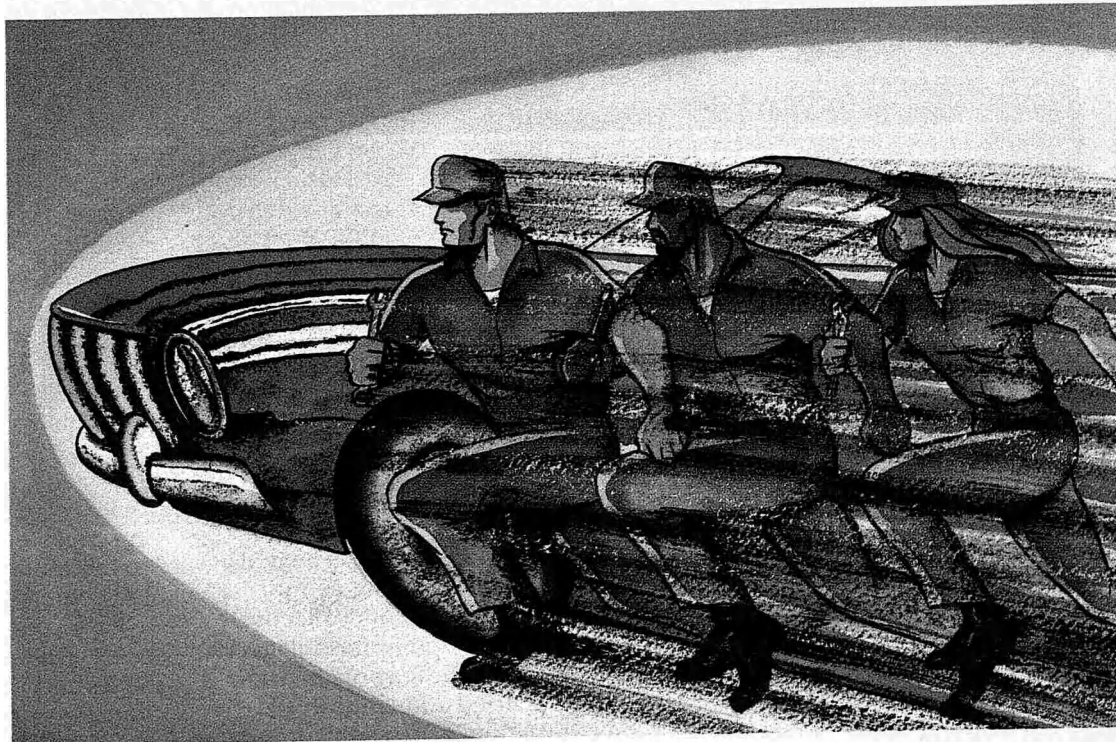
When Iraqi military forces stormed Kuwait in August and oil prices surged, many automobile dealers must have gazed out upon their overstocked lots and wondered how the heck they were going to sell gas-guzzling lux-obarges now, with unleaded pushing \$1.40 a gallon, when they couldn't unload the behemoths back in the buck-a-gallon days of July.

Fears of a recession and hikes in gasoline prices caught auto manufacturers with most of their eggs in the big-car basket. The months ahead could provide a case study of what happens when an industry doesn't remain flexible enough to roll with the punches.

Until the economy began its general slowdown earlier this year, American car buyers had indulged in a decade-long penchant for ever-larger, less fuel-efficient models. The mid-sized Ford Taurus became a best-seller in the eighties, General Motors' Cadillac division staged a modest rebound, and Honda—the company that set the state of the art in economy cars—advertised the fact that its Civic models were bigger than ever.

Indeed, auto industry executives from Tokyo to Stuttgart to Detroit were pleased to help America put an aircraft carrier in the driveway. After all, big, expensive cars pack hefty profit margins.

Now that gasoline prices, inflation, interest rates, and taxes all seem to be on the rise, the wisdom of the bigger-is-better strategy seems a little shaky. And the shake-out that rumbles through the auto business in the next few months is likely to favor flexible companies that have left themselves room to maneuver toward smaller cars.



As seems to have been the case so often, that leaves American car makers out in the cold. Sure, Japanese builders are heavily invested in big cars now—recently introduced Lexus and Infiniti models carry engines more powerful than those in Lincolns and Cadillacs—but they should be able to downshift to a small-car product mix relatively easily.

One reason is that Japanese auto makers enjoy a speed advantage over their American counterparts—not on the test track but in the design studio and on the factory floor.

Japanese firms get their cars from the gleam-in-the-engineer's-eye stage to the showroom about twice as fast as U.S. firms do. By the time Ford's Taurus model receives its first wholesale face-lift, the basic design will be more than six years old. In the four years since the 1986 Taurus roll-out, Honda has revamped both its Accord and Civic lines twice, with additional revisions slated to take place between now and 1994. At the same time, the Accord became the best-selling

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car in America, as well as the best-selling American car (it's built by U.S. workers in Marysville, Ohio).

By keeping itself speedy and flexible, Honda has satisfied consumer demands and prepared itself for the quick-change environment it may face in a world of expensive oil. Honda's fast cycle times have also created handsome profits.

McKinsey & Co. reports that a product coming to market under budget but six months late will produce 33 percent less profit over five years. Contrast that with a product that debuts as scheduled, but 50 percent over budget: Its profits will be cut by just 4 percent in five years, McKinsey says. Small wonder then, that Japanese car makers feel confident.

Small wonder that organizational speed, flexibility, and responsiveness are now more important to CEOs than strategic planning is. So says Harbridge House, a management consulting firm that recently surveyed top managers—all but eight of them CEOs—in 64 American industrial companies. They still consider strategic planning valuable, but it's no longer the number-one management issue.

"While long-range thinking and planning will remain a top priority for senior executives, keeping plans flexible and putting plans into action have become higher priorities," explains William D. Gluck, a Harbridge House director.

According to Gluck, approaches to planning must change so that plans move more readily into action, permit greater flexibility in execution, and tie more directly to performance measurement. As one CEO, who heads up a \$1 billion forest-products company put it, "Long-range thinking is important. Long-range planning is a trap."

Fully 81 percent of the executives polled said "increasing flexibility to respond to unforeseen developments" is a major or important organizational priority.

When survey participants were asked to identify ways in which they are seeking to improve their companies' approaches to planning, the need for speed came through

loud and clear. Eighty percent of the respondents cited a need for "better implementation planning" as a priority, while 71 percent wanted more "built-in flexibility for future conditions." Forty-five percent saw the need for more spontaneity in the planning process—in the words of one CEO, "the ability to do strategic planning and analysis when appropriate rather than when scheduled."

How well prepared are U.S. companies to adopt an outlook that embraces change? The CEOs polled by Harbridge House didn't sound optimistic. Despite the importance of change, they said that their middle managers tend to resist change, and that their organizations in general lack skill in creating constructive change.

When asked what has helped their companies bring about changes, respondents collectively stressed a five-point formula that includes a clear corporate vision, a decentralized and empowered organization, aggressive communication, targeted education and training, and well-tuned measurement and reward systems.

Training? You Bet

A British firm has instituted a management training program that teaches employees the finer points of bookmaking.

No, they're not trying to turn workers into latter-day Nathan Detroit. The company, Ladbroke Racing, operates "betting shops" where the English may legally place wagers on horse and dog races.

The first 12 graduates of the training program, all shop managers and district supervisors, completed 300 hours of instruction that linked retail management skills with bookmaking practices. A North London polytechnic school administered the program, the first of its kind in Great Britain. The pilot effort was such a success that Ladbroke officials say they plan to expand the bookie school to locations in Glasgow, Manchester, and Coventry.

Teaching Engineers To Talk

While many high-tech companies focus on improving their employees' technical skills, Hewlett-Packard is emphasizing a totally different sort of training. The company is teaching its engineers and other employees to communicate more effectively, in situations ranging from one-on-one meetings to technical presentations before large groups.

The theory driving this strategy: Superior people skills, rather than technology, will propel companies into leadership positions.

Since the program began in 1983, well over 4,000 HP staffers—including engineers, supervisors, managers, support staff, and almost all the company's sales representatives—have gone through communications training sessions in the United States and Europe. They report impressive results:

- Confidence—and quality—has taken off. Knowing that they are communicating successfully, employees say they have more confidence in their ability to deal with others, both inside and outside Hewlett-Packard. Company officials say this increased confidence improves the quality of all their work.
- Information flows more quickly and clearly now. Before the training program began, systems engineers who delivered reports at internal meetings tended to fill their presentations with data. When listeners got lost or let their eyes glaze over, the engineers just brought in more data. Now, say both presenters and their audiences, engineers are able to hold participants' attention, and their meetings have become occasions for exchanging information.
- Sales and sales productivity have climbed. Team selling efforts are more effective now that systems and applications engineers have teamed up with product managers. Both engineers and managers report a new kind of synergy with their customers.

"The training totally changes behavior," says Bill Lewis, field

development manager for HP's Midwest region. "It improves the productivity of employees and also advances their careers."

The program, called "Effective Communicating" and conducted by the San Francisco firm Decker Communications, is led by two trainers. Only 15 employees participate in each session to ensure a lot of personal attention.

Extensive videotaping gives feedback as the course covers how to organize a presentation and involve an audience—even an audience of one. Other topics include the mechanics of voice, posture and movement, gestures, facial expressions, and communication with the eyes. Trainees are videotaped nine times in various communications situations. Each trainee views selected videos of his or her performances privately with one of the trainers, who commends what's good and advises on what needs improvement.

"People are almost always better at communicating than they think they are," says Bert Decker, CEO of the training firm that bears his name. "But lacking confidence, many people try to be something they're not. The program teaches them to use their natural abilities to produce maximum results."

Hewlett-Packard's Lewis reports that the quality of HP's internal presentations has increased markedly as a result of the communications training.

"District managers give a 'state-of-the-territory' presentation to senior managers at least once a year," he says. "Those who have taken the training give noticeably better presentations than those who haven't."

"You can see it in the way the trained engineers relate with the people they're talking with. They address the issues that are relevant to the audience. They come across believably and naturally."

Scott Sampl, a field support manager at the division level, admits that he at first feared that he would feel unnatural or self-conscious using the program's techniques. "I was afraid that the things I saw modeled [during training] would be seen as dumb or strange" by his audiences,

Sampl says. "But I learned very quickly that they work. I now speak before audiences of 400 to 500 people with no more anxiety than I feel addressing 10 or 12."

Trainees Know About Training Trainers

By Donna M. Robbins, a training and organization consultant with Southern California Edison and an adjunct instructor at Pepperdine University's Graduate School of Education and Psychology.

To help trainers understand the qualities they need to bring to the classroom, it pays to have them look at instruction from a different perspective—as students. By reflecting on their own experiences as learners, trainers usually discover that they already know quite a lot about effective instruction.

For the past five years, I have taught learning theory in two different settings: a train-the-trainer class in a large corporation, and an educational psychology class in a university graduate school. In both types of sessions, I ask participants to recall their own best and worst learning experiences, from elementary school, high school, and college, as well as such informal settings as church or camp. The objective is to identify the factors that made each experience good or bad.

To facilitate the exercise, I ask participants to forget their current roles as trainers or teachers, and instead think of themselves as students.

In the five years between 1984 and 1989, this exercise involved 53 industrial trainers in seven groups and 66 graduate students in education in five groups. The lists they compiled, detailing the characteristics of best and worst learning experiences, were remarkably consistent from group to group.

Fourteen characteristics typically applied to participants' best learning experiences. (In order to be included on this list or the list describing worst experiences, the

characteristic must have appeared on more than one group's list.)

- 1. The teacher was kind, and cared about the students.
- 2. The teacher was fair and non-judgmental.
- 3. The teacher had a good sense of humor.
- 4. The teacher was "human"—had personal interactions with students.
- 5. The teacher encouraged and believed in the students.
- 6. The teacher loved the subject, and helped students to love it too.
- 7. The teacher was knowledgeable about the subject.
- 8. The teacher was organized.
- 9. Students were involved in planning and choosing activities.
- 10. Students were active in the learning process, instead of passively listening as the teacher lectured.
- 11. Students interacted with one another.
- 12. The learning was relevant to real life.
- 13. The class was fun or interesting.
- 14. The class was comfortable, a challenging but low-pressure experience.

Compare those to the nine characteristics the groups considered typical of their worst learning experiences:

- 1. The teacher was judgmental, prejudiced, or unfair.
- 2. The teacher was intimidating.
- 3. The teacher was dogmatic.
- 4. The teacher was insensitive or abusive to students.
- 5. The teacher disliked the subject or the students.
- 6. The teacher was disorganized or aimless.
- 7. The teacher did not know the subject matter.
- 8. The class was boring, with the teacher lecturing and the students passively listening.
- 9. The material was a waste of time, or irrelevant to real life.

These lists coincide closely with accepted standards of effective instruction, and seem to indicate clearly that students know a great deal about what makes instruction effective or ineffective. Regardless of the grade level and subject from which they drew their experiences,

participants consistently identified certain "good" factors and certain "bad" factors.

That consistency indicates that effective instruction is not ambiguous; it depends on a set of specific predictable factors.

Some of these concern the characteristics of the instructional program itself. Such factors closely parallel modern principles of cognitive, adult-learning theory. The lists show that good teaching or training starts with allowing students to get involved in planning classroom activities that are student-centered and involve interaction among students and instructors. Ineffective teaching was characterized by teacher-centered lectures with little student involvement.

The personal characteristics displayed by instructors seem to be even more important than the instructional factors. It is interesting to note that studies of teacher effectiveness dating back to the 1950s have called teachers' personal characteristics the most significant determinant of instructional effectiveness. Such traits as enthusiasm, kindness, fairness, and a sense of humor apparently account for much of the difference between good and bad instruction.

This raises a problem for trainers of trainers; one could debate whether it is possible to teach such characteristics. It nonetheless seems clear that we should help our own participants understand the importance of instructors' personal characteristics and create learning activities that require them to demonstrate empathy for their own students.

Marketing Majors

Traditional colleges and universities have done an admirable job of maintaining market share despite a steadily declining customer base. That's one way of viewing data recently released by the National Center for Education Statistics.

According to the center, college enrollment increased 6 percent between 1980 and 1988, even as the

U.S. population of 18- to 24-year-olds fell 11 percent. Much of the growth came from older college students, a trend that should continue into the nineties.

The number of students 35 and older is expected to increase 26 percent by the turn of the century.

To: Supervisors From: Trainers Subject: There Is No Magic in Training

By Mark M. Pine, *director of human resources development at Norwalk Hospital in Norwalk, Connecticut.*

There is no magic in training.

There are no thunderbolts from the sky.

Training provides the atmosphere in which to learn.

Training provides the information from which to learn.

Training provides the opportu-

nity to understand, to see, to have the light bulb illuminated.

And that is where training stops.

The rest is up to you.

You must provide the opportunity for the employee to use the newfound knowledge.

You must provide the openness that allows the employee to ask questions and ask for advice.

You must provide positive reinforcement when the employee succeeds.

You must provide the correction when the employee makes an error.

If you don't or won't or can't do this, then do not send one of your employees to training.

Because there is no magic in training.

"In Practice" is edited and written by **John Wilcox**. Send items of interest to *In Practice*, Training & Development Journal, 1630 Duke Street, Box 1443, Alexandria, VA 22313.

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