

The Recession: Is it Affecting Your Training Efforts?

By ELIZABETH SHEY,
Assistant Editor

The *Wall Street Journal* (February 2, 1982) reported, "Management training isn't hurt by the recession at most firms."

If, in fact, this is true, training and human resource development departments across the country are experiencing a significant change in top management attitude from that of the early 1970s, when many training efforts were all but eliminated as a result of recessionary cutbacks.

The *Training and Development Journal* decided to question a sampling of its readership to determine how our recessionary economy is affecting training efforts at their organizations. Training managers from several major manufacturing and retail companies were asked for their comments. Their responses reflected the *Wall Street Journal* statement: Few reported major cutbacks in their training programs. Almost all, however, agreed that their training programs are undergoing changes to meet changing organizational needs characteristic of recessionary times. It appears that training and development budgets are under close management scrutiny, but finally the function is receiving greater top management support than ever before!

"The recession causes trainers to reevaluate their asset use toward payoff, rather than activity," says Larry Lottier, manager of education at Dana Corp. in Toledo. "Our training efforts have been changed, but not reduced. Now, we focus more on conducting courses and consulting at the local level. We've restructured and redirected our assets to be more effective."

The recession has forced many

companies to finally take a closer look at training expenditures. The end result may be the consolidation of all training dollars into one budget to be monitored by the training director. In the long run, this may make it possible to institute cohesive company training programs.

Many organizations' training budgets have remained the same, despite the recession. Individual departments are monitored closely, however, to determine exact training needs. Edward J. Cripe, corporate director of training and organization development at The Bendix Corporation in Birmingham, Michigan, explains: "In the divisions seriously affected by the recession, we have cut back on all discretionary costs, including training. Conversely, those division less affected by the recession continue to spend money on training.

As a large diversified and decentralized company, the recession has had a mixed effect on us. We fall somewhere in between those firms that report no change in training programs and those that have cut back drastically."

Con Edison in New York has not cut back on training. In fact, they have increased their emphasis on it: "The recession has forced us to justify the need for training more explicitly and to make sure the end results—the benefits—agree with company objectives and forecasts," says John S. Jenness, director of human resources planning and development. "Since the cost of consultants has increased so dramatically, we're conducting much more work in-house."

Clearly, the cost-effectiveness of in-house training will cause it to become increasingly popular. Arlene Faris, corporate manager of training at the Wagner Electric Company in Parsippany, New Jersey, comments: "Two main effects of the recession will be increasing reliance on internal consultants and consideration of new delivery systems for training to offset travel costs." She, too, however, speaks of the more positive aspects of the recession's effect on training: "We have senior management support now. Training has ex-

panded from its traditional role to organizational development. Projections suggest a 40 percent increase in the number of training/OD staff over the next five years."

The J.C. Penney Company in New York is meeting its organization's training demands, despite depleted resources. William N. Yeomans, manager of training and development, explains how: "Like everyone else, we are doing more with less. We have reduced our training and development staff by 8-10 percent over the last few years and our total training budget has remained flat," he says. "Meanwhile, demand for training at all levels throughout the company has increased, and so far, we've been able to meet the challenge and even broaden the scope of our influence in the company."

Yeomans also explains that adjustments and ingenuity on the part of his staff have played a major role in meeting the organization's training needs. "We've found less expensive ways to produce training materials and less expensive ways to train, such as conducting workshops in local market areas rather than distant training centers. We've also done a more thorough job of needs analysis and have spent more time determining priorities. The training staff has encouraged line managers to become more involved in developing and leading programs, and overall, we're demanding more of ourselves and of everyone involved in training and development."

The *Journal* staff wants to report any additional effects the economy is having on your training programs, especially if you are "doing more with less." Are your efforts being cut back? Is the demand for training in your organization on the increase? How do you and your staff cope with these problems? We want to hear from you! Please share your comments with our readers. Contact: *Training and Development Journal*, 600 Maryland Avenue, S.W., Suite 305, Washington, DC 20024.

Teleconferencing: New Prospects for HRD

There is a not so quiet communications revolution taking place within the business world. It is video teleconferencing, and more and more businesses realize that bringing large numbers of people together for seminars and meetings, in one location, is no longer financially feasible or politically necessary.

The advantages of holding a closed circuit video teleconference are many. There is no doubt, for example, that travel and hotel expenses are dramatically reduced by using teleconferencing. This, however, is just the tip of the communications iceberg. Teleconferencing systems are ideally suited for national and regional meetings, new product/program introductions, annual stockholders' meetings, political gatherings, HRD seminars and all forms of personnel and management training. In effect, teleconferencing is the most powerful communications technology developed to date. It is dramatic and will forever change the way businesses communicate with each other and with the public at large.

Unlike teleworking, teleconferencing enhances rather than diminishes the need for people to meet in small or even large numbers. The issue is how people get together, not whether people get together. The business world knows nothing replaces person-to-person, face-to-face meetings. Teleconferencing will, however, allow people within regions of the country to get together in cost-effective ways, as in the case of Ford Motor Company. Seventeen thousand Ford managers and representatives in 38 cities participated in the largest commercial teleconference held to date. The occasion was Ford's Winter Sales Meeting, where Ford executives in a live via-satellite hook-up from Detroit presented their new automobiles. The event was transmitted via Western Union's Westar satellite and then was received at first class hotels from Miami to Seattle. The total cost was \$11.76 per person.

The use of video teleconferencing has grown tremendously. From January to December 1980, 50 major ad hoc (non-permanent) teleconferences were held throughout the United States. In this same period in 1981, there was a 112 per-

cent increase. And from all indications, 1982 will show a greater percentage increase.

There are decided differences between temporary and permanent teleconference systems. A temporary system is a one-shot event, used for drama, ease and ability to reach large numbers. A permanent system, conversely, is used every day by companies whose investment is in efficiency and productivity, as well as in saving travel money.

Exxon, Inc. is headquartered in New York City and has used video teleconferencing since 1978. Their interest in video teleconferencing is predicated on increasing professional productivity. Savings in travel costs are a secondary factor. Said Charlotte Taylor, head of business services, Exxon Research & Engineering Company, Baytown, Texas, "Compared to time lost in travel and in readjustment once employees return, our system will pay for itself in a very short time. We find our people are much more productive and we are able to get more people involved with a project. We can't fly lower echelon people to meetings and seminars, yet at times, they are the people with the answers. Teleconferencing gives us an opportunity to bring these people into it."

Liberty Mutual Insurance Company has used a full motion, full color, voice activated, permanent video teleconferencing system between their Portsmouth, New Hampshire and Boston offices for more than one year, and they already maintain that the system has paid for itself. They have saved \$100,000 in travel costs alone between their two offices.

Liberty Mutual executives are just as satisfied with the increase in productivity and efficiency in their managers and employees. Participating in a video teleconference means being attentive to what is said and what is shown. Meetings are to the point and business-like, with little wasted effort. At the end of a meeting, people simply return to their desks or offices.

What is equally exciting is that HRD and training personnel are now in a position to effectively use a completely new approach to training and development. Teleconferencing can reduce the cost of training large numbers of people, and return on investment will show a plus. Once trainers and HRD personnel master the medium and use it effectively, there undoubtedly will be an increase in efficiency and productivity, which

will eventually translate into bottom-line profits. The implications of how this technology affects HRD and training are staggering but equally stimulating to contemplate.—

Submitted by Herb Snitzer, telecommunications and education services manager, The Crimson Group, Cambridge, Mass.

Guidance to Goals: Pitney Bowes' Career Planning

"I'm good at my job, but now I need more challenging work." Such musings cross the minds of countless employees of major firms throughout the country every day. In many cases, the employees have resigned themselves to their current jobs, convinced that their firm has no interest in their further advancement.

Not so at Pitney Bowes. The Stamford, Connecticut-based manufacturing firm established the Career Planning Workshop in 1980 to help employees form and chart their long-term career goals, inside or outside the firm.

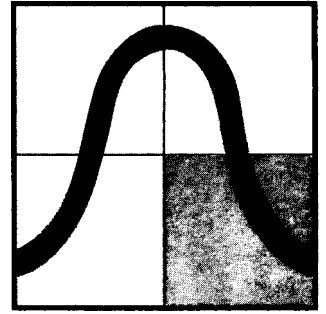
"The purpose of our program is to enable employees to develop the skills they need to manage their careers," says Judy Brand, management development specialist and designer of the program. "Pitney Bowes wants to help people determine where they want to go with their careers."

The workshop is designed to assist employees by exposing participants to an intense program of written exercises and informal discussions to help them identify personal skills, establish individual career goals and develop a plan to achieve them.

The program is divided into two, one-day sessions. Before participating, employees are required to complete approximately 10 hours of preparatory work that includes questionnaires, personal job descriptions and job skill identification. In addition, participants complete approximately six hours of homework between sessions.

Almost everything connected to planning a career effectively is detailed, from how to write a resume to questions most frequently asked in interviews. Also, people in jobs higher up the organizational ladder

**TOP quality
leadership training with
BOTTOM line results!**



The Essentials of SITUATIONAL LEADERSHIP

Now, for the first time, YOU can administer Situational Leadership training in-house to give your managers a practical approach for making the leadership decisions necessary to achieve results.

"Top quality . . . clearly expedites learning processes and trainer workload . . . well received."

D.H. O'Neill (IBM Corporation)

"Probably the best program dealing with leadership skills I've come across."

Rick Smith (Wood Gundy)

" . . . an outstanding program. The concepts are simple and clear, but very powerful. Managers do make positive behavior changes as a result of this program and are more effective."

Bruce Knudson (The Pillsbury Company, C.F.G.)

"It provides straightforward answers to many questions supervisors and managers face in handling people daily. They see that the approach makes sense."

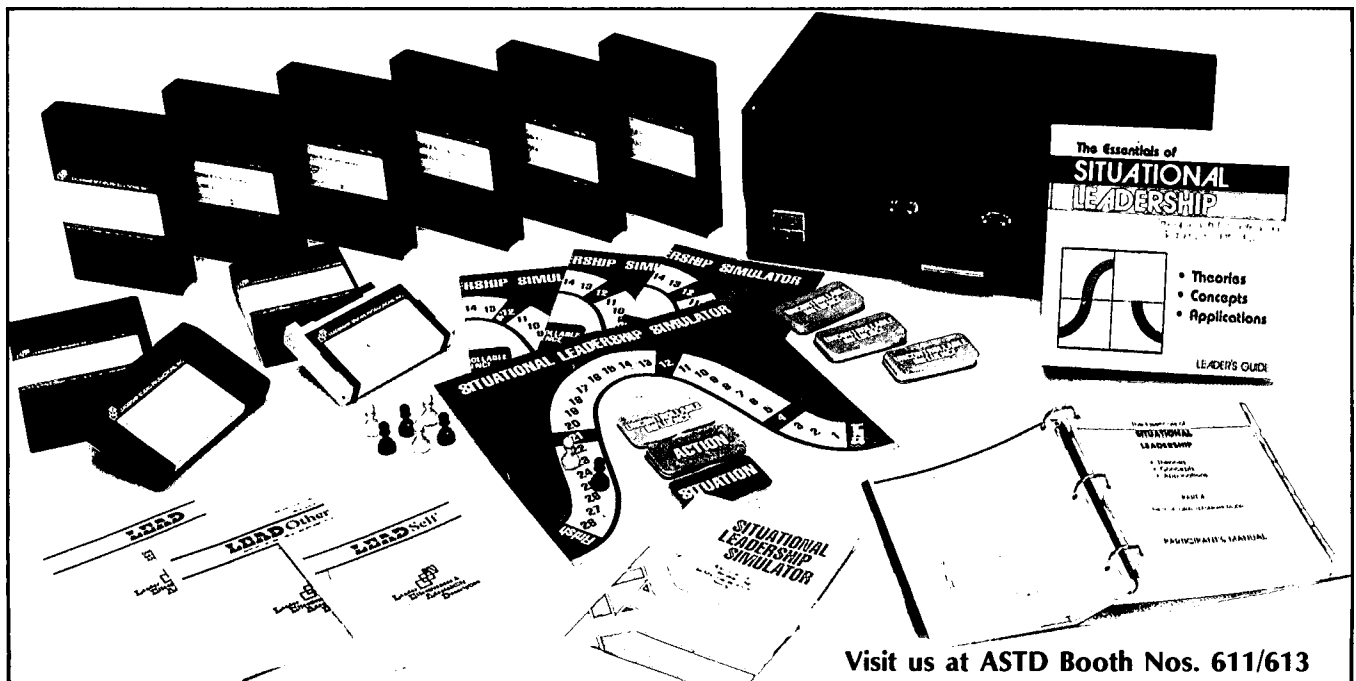
George Hillard (Nalco Chemical Company)

"Our managers say that this program is the most persistent-ly effective management training they've ever attended . . . six months later they're still using it, and asking for refreshers."

Bruce Harris (Harris Corporation, G.C.S.G.)

"In our initial program, participants (some with extensive managerial experience) clearly gained new insights into their own methods of working with others toward accomplishment of organizational goals."

Barbara Walton (The Sherwin Williams Company)



Visit us at ASTD Booth Nos. 611/613

Contact us for a preview demonstration in your office or to reserve a place at a future seminar.
LEADERSHIP STUDIES PRODUCTIONS, INC. 140 South Hickory Street, Escondido, CA 92025 • (714-741-9504)

are available to discuss their work so that participants can evaluate different career opportunities. Currently, all participants are either secretarial or clerical employees, but the workshops will be expanded later to include other employee groups.

American Productivity: Prescription for Success

Current fiscal and monetary policies may provide temporary relief from the symptoms of America's economic ills, but they won't cure the disease, according to a University of Southern California business management expert.

"Economic policies that stress investment in new plants and machinery won't solve our productivity problem if American workers aren't willing to produce," said James O'Toole, professor of management at USC's Graduate School of Business.

America's economy will not be restored to health by greater capital investment or by reduced taxation and regulation of industry, O'Toole maintained. These measures may boost productivity in the short term, but the remedy is superficial.

The real problem, he said, is rooted in the changing values of the American worker, in changing social patterns and in the failure of work organizations to respond to those changes.

"Management and union leaders have failed to realize that a philosophy and organization of work that was appropriate for the 1960s and the 1970s is not appropriate for the 1980s," O'Toole said.

"Workers today want more leisure time. They feel less commitment to organizations. They have a heightened sense of their rights. They are more likely to question authority.

The manager who cannot demonstrate his or her competence to workers can no longer expect their respect. Instead of cracking a whip over workers, today's manager must adopt the role of an expert consultant."

Another major mistake made by industrial leaders, O'Toole said, is to assume that all workers have the same needs and interests.

"The single most important fact

about the American work force is its diversity," he said. "Management theorists who ignore this fact assume there is one best way to organize work—a way that's appropriate for all people at all times."

In studying more than one hundred companies, O'Toole found that the most productive companies are those responsive to the diversity and changing values of their workers.

He includes dozens of case studies in his new book, "Making America Work" (Continuum Publishing, New York).

Train to Persuade: Exploiting the Videoconference

Why do Ford, IBM and General Motors choose to videoconference? Ask that question of leaders of these and other aggressive companies, and they'll tick off a list of advantages: it cuts travel time, it permits a larger audience and it can save as much as 80 percent of the cost of a traditional business meeting. They are also likely to add that "it's not the same as being face-to-face."

Videoconference expert, Deanna Morton, flatly challenges this cliché. Morton is vice president and program director for Communication Training Consultants (CTC). The company teaches executives about this satellite medium, helps them assess its suitability to their purposes and then trains them to exploit it to the fullest.

"Many business leaders still perceive videoconferencing as mysterious," she says. "They should know that not only is it a practical way to reach their employees and conduct important business—it's a dramatic way, too! Many companies that videoconference use the large screen. That, along with a full-bodied sound system, magnifies you to your audience. You become larger than life! Train with the medium, and it can become a powerful tool of persuasion."

In a field filled with former actors and diction coaches, Morton and her associates, Ron Webster and George Moskowitz, anchor their training methods to their expertise in speech pathology and behavioral psychology. Characteristically, Morton supports

her enthusiasm for videoconferencing with scientific proof.

She refers to an experiment published by the journal, *Telecommunications Policy*, in 1977. It shows, contrary to the assumption, that communicating through audio and audio-visual media packs twice the wallop as face-to-face communication.

This test of "medium persuasion" paired off 72 people. Each pair was divided in opinion about a controversial subject. Some discussed their disagreement face-to-face, others through a variety of media. In the groups using audio and audio-visual media, twice as many people changed their minds as compared to those in the face-to-face group.

Moskowitz points out the bottom-line significance of this finding for the company that videoconferences. "Expertly done," he says, "a videoconference conveys information persuasively, which results in greater productivity. And productivity nourishes the lifeblood of every company—profit."

Cooperative Venture Between SDCE/Triton College Moves Forward

A cooperative venture that will give Triton College, River Grove, Ill., the use of die casting machinery for student training and the Society of Die Casting Engineers (SDCE) a new home for its international membership recently opened for business. SDCE says its agreement with Triton College marks the first time a nonprofit professional society has launched a cooperative building and educational venture with a community college.

As the foundation for the cooperative agreement was reached last year, Triton announced plans to construct the Society's 7,200 sq. ft. international headquarters and training center. According to SDCE executive vice president James F. Cannon, Triton College agreed to construct the building for the Society, and "we would rent it for a minimum of 10 years."

He added that the equipment in the hands-on laboratory—hot and cold chamber die casting machines, trim presses and furnaces—would be operated by professional die casting

personnel. Triton and SDCE will share the lab facilities and equipment.

When SDCE made the move in 1979 to Des Plaines, Ill. after 25 years in Detroit, management began to look for permanent headquarters. At the same time, the long-range planning committee suggested that the Society establish a hands-on facility, incorporating classrooms and a training lab.

"Educational programs are SDCE's primary activity," Cannon said. "Our sole purpose is education. Last year we trained more than 600 engineers. The members believed it was important to find a permanent facility for training seminars rather than to rely on hotels," he added.

International Paper Company Mill Uses Unique Approach to Employee Education

Many people combine full-time jobs with evening graduate school courses to help them advance in their careers. Many others, however, are unable to do this because they work in remote areas, several hours away from the nearest college.

To overcome this problem, International Paper Company's Androscoggin Mill arranged for the college to come to its employees.

In a unique relationship with Thomas College, Waterville, Maine, 25 International Paper (IP) employees have begun working toward an MBA without leaving the mill.

The 25 employees who initially registered for the program started classes in September. They may take a maximum of two courses per semester, two nights a week. With this schedule, they can earn their degrees in two and a half years.

"We tried to accommodate people who wanted to get an MBA, but couldn't because the closest school is more than two hours away," explained David Osgood, manager, management development at Androscoggin Mill.

Osgood's thoughts are echoed by Jim Grippe, a process engineer who is enrolled in the program. "Through the relationship between IP and Thomas College, a major barrier has been removed enabling me to work

toward an advanced degree. I feel everyone is working hard, being challenged, and the program is definitely of high quality."

As part of the agreement, Thomas College accepts transfer credit hours from other accredited programs without limit. It also transfers earned credit hours to other schools if an employee transfers to another IP location before completing the degree program.

The degree program is offered through the Division of Continuing Education at Thomas College, and graduating mill employees will receive a masters of science in business with a major in management.

New Supervisors Risk Failures

New supervisors exhibit many emotions upon their promotions, ranging from fear of failure to roaring optimism about their ideas for making their departments the most dynamic and productive in the company.

Such feelings of kinetic energy are what new supervisors typically experience upon their promotions, according to Larry Embley, addressing a group at the "Improving Managerial Effectiveness" seminar sponsored by the Center for Management Development at Bryant College. Embley, president of Feedback Systems, a consulting firm specializing in management and marketing training, contends in a recent issue of *Goals and Guidelines*, published by The Bureau of Business Practice, that supervisors go through three periods in their development: "Wonder Period," "Blunder Period" and "Thunder Period."

The "Wonder Period" begins shortly after supervisors have been promoted, when they have all the theories, such as "management by objectives" and "management by results" at their fingertips. They are eager to change the world with their newly acquired knowledge and their confidence runs high. But then something happens.

The "Blunder Period" emerges about 18 months after their appointment, according to Embley, when they realize they don't know as much as they thought they did. In fact, they are failing in some aspects of

their jobs. Risks they took aren't panning out. Their self-confidence is eroding quickly. As they put their failures into perspective and carry on, however, they realize the key to risk-taking and to successful supervision is the ability to recover from failures and to bounce back with more knowledge and experience behind them. Embley points out that it's possible to recover from failure quickly if you take your failures and isolate them into a growth experience.

The "Thunder Period" is probably one of the most important phases of a supervisor's career. Here, the supervisors have regained their confidence, and mistakes made in the past have been recognized as learning experiences. The onset of this third stage signals a significant growth change for new supervisors. During this period, supervisors regain their self-confidence and forge ahead with their careers.

Turnover Down in U.S. Offices While Canadian Rate Rises

Turnover among office employees in the United States showed a decrease of 3 percent in the past two years to an average of 17 percent in 1980. The rate in Canada stood at 19 percent for a 3 percent increase during the same period, according to a survey conducted by the Administrative Management Society (AMS). The biennial AMS Office Turnover Survey included 2,574 firms covering 561,878 employees. Of the 94 cities surveyed, nine were Canadian.

Reporting U.S. figures on a regional basis, the survey found only the Western Portion experienced an increase in turnover since 1978. The turnover rates for each of the five U.S. regions were:

	1980	1978
Eastern—	16%	18%
East Central—	16%	21%
West		
Central—	18%	21%
Southern—	16%	20%
Western—	23%	19%

The AMS Turnover Survey of Office Employees is available for \$15 by writing: "Turnover Survey," AMS, 2360 Maryland Rd., Willow Grove, PA 19090.