INTELLIGENCE//



MAKE CONFLICT YOUR ALLY

Conflict between co-workers can add value if managed effectively.

By Ann Pace

Inside Intelligence:

India has new talent management model	16
Lean times force leaders to examine priorities	17
Gen Y shows employee loyalty	18
Economy is affecting learning budgets	19

When the topic of workplace conflict is broached, many employees envision tense meetings, redfaced supervisors, and stressful encounters with colleagues that keep them awake at night.

However, when managed effectively, conflict can be a means to increased creativity and productivity in the workplace.

CPP Global shares this conclusion through its latest report, "Workplace Conflict and How Businesses Can Harness it to Thrive." This study asked 5,000 full-time employees in Europe and North America about their attitudes toward conflict.

Eighty-five percent of employees reported dealing with conflict to some degree. Forty-nine percent of respondents said personality clashes and warring egos were the primary causes of workplace conflict, followed by stress (34 percent) and heavy workloads (33 percent).

Most conflict occurs between employees in entry-level/frontline roles, according to 34 percent of survey participants. In addition, 41 percent of respondents cited that older employees are perceived to handle conflict most effectively.

"For frontline employees who may not always see the 'big picture' the way management does, issues such as office space, working hours, or favoritism may in fact be hotbeds for conflict," says Rich Thompson, director of research at CPP.

The survey also found that an average employee spends 2.1 hours every week dealing with conflict in some way. The top negative outcomes of such conflict include personal insults (27 percent) and sickness or absence (25 percent).

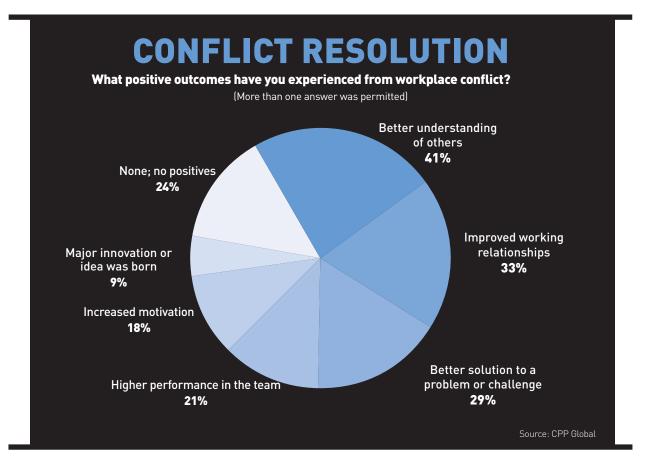
However, conflict can also lead to positive outcomes. Seventy-six percent of respondents identified a good end result from conflict. Training is the necessary ingredient that enables workplaces to experience these benefits.

Among those who reported spending time dealing with conflict, the vast majority have seen desirable outcomes such as major innovations, better solutions, and increased motivation, according to the report.

"The most significant study result is the connection between conflict training and the reduction in negative consequences of conflict," Thompson says. "Training does not reduce the occurrence of conflict, but it clearly has an impact on how conflict is perceived and can mitigate the negative outcomes associated with conflict." More than 95 percent of people who received training as part of leadership development or in formal external courses say that it benefitted them in some way, CPP reports. Training helped employees become more comfortable about and confident in dealing with conflict (27 percent), avoiding conflict altogether (20 percent), and getting more positive outcomes for both parties (19 percent).

While CPP research did not focus on the design or delivery of training for conflict management, Thompson noted that conflict training can be successfully completed in a day. He says e-learning is an ideal delivery method to teach conflict management tools to individual employees, while an in-person trainer can serve as a mediator for a work group that is experiencing conflict.

Ann Pace is an editorial assistant with T+D; apace@astd.org.



INTELLIGENCE//

TRAINING IS IN THE EYEU I HE TICER

IN THE PAST, INDIA LOOKED TO THE WEST FOR LESSONS ON DEVELOPING SKILLS IN THE WORKFORCE, BUT NOW THE ROLES ARE REVERSED.

By emphasizing ongoing training as a priority for new and existing employees at all levels, India's leading organizations are models for managing talent. Some of these employees spend up to two weeks in training annually, a prospect unheard of in the West.

In this regard, the United States could take a lesson from its former protégé, according to a recent study.

"Indian industry adapted the best workforce training and development practices from the United States and Europe, and developed a 'surrogate education system' that is absolutely amazing," says Vivek Wadhwa, lead author of a Kauffman Foundation report on training in India and executive-in-residence at Duke University's Pratt School of Engineering.

The study, titled "How the Disciple Became the Guru," details the best practices of 24 Indian companies spanning a range of emerging industry sectors. What is notable is that all of these companies managed to succeed despite talent shortages and skills shortfalls.

"The most significant finding is that with the right training and development, workers with weak education can be developed into research and development specialists who can compete on the world stage," Wadhwa says.

This commitment is demonstrated through the fact that the IT companies in the report annually average 10.3 days of ongoing training per employee. Even in less technical industries such as retail, hospitality, education, and financial services, the company's annual average is 8.5 days of ongoing training per employee. Clearly, there is an overall emphasis on training as a means rather than an end.

The seven areas in which India has excelled in its programming are: employee recruitment, new-employee training, continuing employee development, managerial training and development, performance management and appraisal, workforce retention, and education upgrades. "It starts with selection. You need to hire workers for potential rather than skill," notes Wadhwa.

For example, Indian engineering companies cast a wide net for hiring employees, recruiting from top-tier as well as second- and third-tier engineering universities, but also arts and science schools.

In this sense, new hires are often trained from scratch. Many larger companies have in-house learning centers and hundreds of staff dedicated to the training function. Training programs span anywhere from two weeks to four months, depending on the industry. The curricula required technical skills but also general subjects such as industry operations, customer management, communications, and team building.

The commitment to learning does not stop there. Employees are usually required to take part in a variety of training and certification programs, either developed internally or externally through a vendor. These programs cover a wide range including soft skills, management skills, six-sigma training, communication skills, cultural skills, and personal effectiveness skills.

Completion of training is often tied with advancement opportunities and salary increases. Managers are also frequently developed from within the organization through fast-track programs and performance management systems. Performance appraisal is prioritized through 360-degree and balanced scorecard reviews, and managers are evaluated based on employee feedback, attrition rates, and mentoring.

"By providing training and mentorship, Indian companies make their employees more productive and reduce turnover. This allows a company to increase efficiency and margins," Wadhwa says.

Many Indian companies also have a mutually-beneficial relationship with many private academic institutions in creating customized degree programs and helping formulate new curricula.

Aparna Nancherla is an associate editor for T+D; anancherla@astd.org.

// MANAGEMENT //

Leading During Lean Times

When times are going well, it's all about the people. When times are going poorly, it's about revenue.

Lean economic times serve as a wakeup call to organizations, their leaders and employees to discover the real priorities. Unfortunately, when the economy sours, engaging the best talent takes a back seat to finding new sources of revenue, according to a recent survey.

Adecco asked 200 leaders to list their priorities during an economic slowdown. The first priority was generating revenue and the second was pursuing growth opportunities.

Leaders said that during an economic downturn, generating revenue becomes the top priority compared with the fourth-highest priority during periods of economic growth. Recruiting and retaining talent drops from the top spot during growth periods to the sixth spot during a downturn.

A clue as to why priorities shift dramatically based on economic conditions is contained in the answer to another question in the survey about the most difficult workforce issues. The top response was leading through periods of change such as a downturn or organization restructuring. The next highest priority was managing workers in Generation X and Y.

Rich Thompson, vice president of talent management at Adecco, says he was discouraged by the results which reflect a growth through cutting mentality at many organizations. When times are good, organizations grow through their people but they become mere numbers on a balance sheet when the economy goes sour. Not all organizations follow along such a predictable path.

"At Toyota when times are slow, instead of cutting, they pull people offline and put them in the classroom," Thompson says. "Now is the time to invest and improve the skills of your key people."

Unfortunately, that is unlikely to happen as he readily acknowledges that during a slow down training is one of the first candidates for cuts. In the report, Adecco asks rhetorically whether organizations are rewarding leaders for financial success or for embodying leadership qualities. The nature of the question suggests that successful leaders are measured based upon the balance sheet while leadership qualities such as promoting talent are merely lip service.

The flawed leadership model is not the fault of individual leaders who identified a sharp contrast between skills deemed important and skills that are most rewarded such as being able to ability to motivate and manage people. Yet the most rewarded skills are keen decision making and financial acumen.

"Corporate America is so focused on the investor which creates impatience," Thompson says. "There's no long range planning. They're not investing in the talent that got them there.

Michael Laff is senior associate editor for T+D; mlaff@astd.org.

BUSINESS LEADERS VOICE THEIR PRIORITIES

During an economic downturn	During economic growth	Right now
1 Generating revenue	Recruiting/retaining top talent	Generating revenue
2 Pursuing growth opportunities	Maintaining a competitive edge	Pursuing growth opportunities
3 Maintaining a competitive edge	Pursuing growth opportunities	Maintaining a competitive edge
4 Increasing productivity	Generating revenue	Recruiting/retaining top talent
5 Motivating workforce	Managing capital investment	Increasing productivity
6 Recruiting/retaining top talent	Managing investor expectations	Motivating workforce
7 Managing investor expectations	Motivating workforce	Managing investor expectations
8 Managing capital investment	Increasing productivity	Managing capital investment
9 Downsizing staff	Downsizing staff	Downsizing staff
	••••••	Source: Adecco

INTELLIGENCE//



Gen Y Proves Loyalty in Economic Downturn

Maybe the stereotype about Gen Y workers racing home at 5 p.m. and working late at night from their Blackberries is just a tired caricature.

A recent survey indicates that the youngest workers are the most willing to go the extra mile when the economy tightens and job security becomes tenuous. A higher percentage of Gen Y workers strive to impress the boss, arrive earlier and working later and taking on extra responsibilities than their older peers.

With a gloomy economic forecast as the backdrop, Randstad surveyed workers about their attitudes toward the workplace with an emphasis on their eagerness to obtain greater job security.

When asked whether they would arrive early and stay late, 48 percent of Gen Y workers said yes compared with 40 percent of Gen X and 29 percent of Boomers.

"I was a bit surprised at how willing Generation Y was to stay late and take additional responsibilities," says Eric Buntin, managing director for Randstad. "Our earlier surveys indicated that work-life balance is so critical to them."

Results were based on an online survey of more than 2,000 adults conducted when the economy began tumbling in August and September. Buntin acknowledged that some of the ready-made analysis of Gen Y workers might be unfair and their true nature in the office defies easy characterization.

"We've noted that their level of commitment to work and their interest in learning is just as high as everyone else," he says.

As expected, only 50 percent of employees believe their boss is competent.

What's more startling is the 29 percent who consider their boss a mentor and the paltry 19 percent who believe the boss is an advocate.

Buntin attributes the low numbers in part to the changing dynamics of the workforce whereby managers are held to the same standards of performance as staff. They must leverage technology to a greater degree, handle more administrative tasks, and meet performance goals.

"Everyone faces productivity pressures," he says. "Bosses are individual contributors. Driving their own departments takes a back seat."

Only 32 percent of employees report being asked for input and a dismal 30 percent believe they are rewarded for accomplishments. Managers are not consciously disregarding input from staff, they are simply too pressed for time to ask.

"The historical measurements of a successful manager are not at the forefront of expectations for managers," Buntin says. "They're not coordinating a team or extracting the best performance from the team because they're having to deliver on a daily basis."

Buntin says organizations need to find a balance between the development needs of employees as it relates to their supervisors and the annual expectations placed upon managers.

Michael Laff is senior associate editor for T+D; mlaff@astd.org.

	Age 18-34	Age 35-44	Age 45-54	Age 55+
Would do something to impress my boss	80%	72%	68%	62%
Take on additional work/responsibilities	65%	56%	50%	53%
Work overtime	51%	49%	46	35
Stay late/come in early to show extra face time	48%	40%	29%	22
Socialize with my boss out of the office	28%	15%	6%	4%
Do personal favors (for example, run errands)	17%	10%	5%	8%

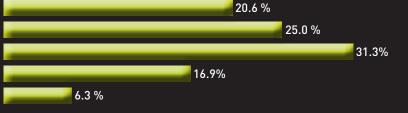
How far are employees willing to go to impress their bosses to create more job security?

Source: Randstad survey

Training Budgets Under the Microscope

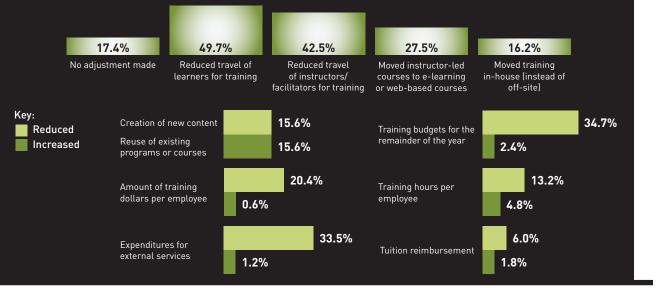
TO WHAT DEGREE HAS THE TURBULENT ECONOMY CAUSED YOUR LEARNING FUNCTION TO ADJUST THE TYPES AND AMOUNT OF TRAINING YOUR ORGANIZATION PROVIDES TO EMPLOYEES?

No adjustment at all A small amount of adjustment A moderate amount of adjustment A high amount of adjustment A very high amount of adjustment A bigh amount A bigh amount of adjustment A bigh amount A bigh amount



HOW HAS THE TURBULENT ECONOMY AFFECTED YOUR ORGANIZATION'S LEARNING FUNCTION?

WHAT TYPES OF ADJUSTMENTS HAVE YOU MADE TO THE TYPES AND AMOUNT OF TRAINING YOUR ORGANIZATION PROVIDES TO EMPLOYEES? (More than one answer permitted)



Source: ASTD online survey