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Adding Value Through Training

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IN MANY RESPECTS, TRAINING IS A BUSINESS, OFFERING PRODUCTS AND SERVICES. HERE IS HOW ONE TRAINING DEPARTMENT ENHANCED ITS VALUE TO THE ORGANIZATION BY GETTING CLOSER TO ITS INTERNAL CUSTOMERS AND HELPING THEM BUILD THE COMPETENCIES NEEDED TO MEET BUSINESS GOALS.

Like many organizations that are changing strategic direction, PPG Industries is a company in transition. For several years, PPG has been moving from a traditional reliance on commodity-based industrial manufacturing—glass, fiberglass, chemicals, coatings, and resins—to a more flexible mode of customer-driven specialty marketing within those product groups. With the change, many of the company's systems have become inappropriate and even burdensome.

Early on, senior managers recognized the critical role training could play in the transition. Presented with a unique opportunity, PPG's training, development, and education department (TDE) carefully examined its goals, strengths, and potential contributions to organizational objectives.

We in the TDE department realized that before we could deliver a consistent level of service to our internal customers, we had to understand what our department was and what it did. So department members devised a TDE process model for consulting with PPG's business-unit managers about linking training with their units' business strategies.

Three major objectives grew from the discussions between TDE and the business-unit managers:

- to align TDE's performance with business-unit operations
- to ensure that TDE products and services added value
- to gauge TDE effectiveness through measured results.

The model was designed largely to help improve the effectiveness of internal processes. To reach that goal, we in TDE first had to define fully our internal-customer base. Close examination showed that our customers were less homogeneous than we had thought.

We realized we had three types of customers: consumers, sponsors, and clients.

TDE had always identified its customers as the employees who attended training programs and seminars. Of course, those employees are consumers of TDE products. But they rarely are the subjects of needs analyses, they have limited authority to enroll themselves in training, and they are seldom considered in budgeting. When we used those criteria,

it became clear that the actual consumers of our programs are not our key customers.

PPG's vice-presidents fall into the category of sponsors. TDE was well aware of the influence they have on the training function because of their profit-and-loss responsibilities. But we found that the vice-presidents are seldom familiar with our work. We also determined that most budgetary decisions are based on the recommendations of business-unit managers, who report to the vice-presidents.

So, as the TDE model evolved, we identified our key customers or clients as the business-unit managers.

Taking a good look

In creating the process section of the model, we were forced to evaluate the effectiveness of our training activities. At the time, TDE viewed itself as a vehicle for change. But after comparing the department's intentions with its performance, we found that much of what we'd done was related to institutionalization. Many of our customers viewed our activities as "training for training's sake" and "doing comfortable things," regardless of the actual needs and appropriateness.

In the first stages, the model served as a focal point for describing TDE's ability to add value to business results through such training products and services as formal courses, customized training and facilitation, and internal consulting. During development of the model, the business-unit managers helped us refine our processes to fit organizational strategic directions. In linking TDE with PPG's business goals and issues, we began to reorganize our training efforts.

All along, customers thought TDE was capable of designing and facilitating training programs. But our customers wanted to have ongoing relationships with TDE department members, rather than just sporadic contact related to isolated training events. In response, TDE took on an active internal-consulting role.

The new role required a change in the structure and focus of the TDE department. We adopted a project-management approach, reorganizing the department so that each professional's responsibilities included both product-management tasks and business-liaison relationships.

The new approach turns TDE staff members into product managers. Each TDE professional is responsible for a group of related courses such as sales skills, presentation skills, and customer-service skills, or supervisory skills, team building, and work-team skills.

Within one course area, a TDE product manager tries to meet specific customer requirements by customizing the training material as needed. Training design and facilitation are still critical, but such aspects as customer involvement, internal marketing, price competition with external suppliers, and product delivery have taken on new importance. TDE has a new sense of product ownership.

We now evaluate success in terms of business-unit performance. This new perspective represents a dramatic change from the past, in which we evaluated success in terms of the number of training programs delivered or the number of people trained.

We have also established liaisons between the TDE department and the company's various business units. Each TDE professional is now assigned to work with certain business units. The liaisons have enabled department staff to better understand the units' particular training needs and opportunities. The liaison concept helps TDE to be viewed as a part of the company's business operations, not an appendage.

Because TDE's "product line" of training services is the basis for its internal customer service, the department members acting as liaisons can discuss ways to change and improve processes. Rather than just delivering training, TDE staff now act as change agents.

TDE's new association with business strategies led the department to reevaluate its products; TDE sought to be known as a specialty-product supplier. Like many training organizations, TDE was a supplier of commodity products. In other words, we conducted needs analyses in terms of existing programs and materials, and customers received off-the-shelf products, or commodities. Our customers may have been satisfied, but there was little effect on business results.

Once we took an approach that combined product management with liaison relationships, we were able to customize our training products. Customization can be time-consuming, but we've found it to be very effective for helping us establish and maintain partnerships with the business-unit managers.

TDE's new relationship with the business units has required us to pay more attention to our own product-development cycle—the time it takes to go from training-needs assessment to training delivery. The business units can't wait months for solutions. We have sought to make timely response one of the hallmarks of our customer service.

> CUSTOMERS VIEWED THE DEPARTMENT'S ACTIVITIES AS "TRAINING FOR TRAINING'S SAKE" AND "DOING COMFORTABLE THINGS" REGARDLESS OF ACTUAL NEEDS

Measuring results

The new TDE model helped clarify the importance of thorough needs assessments. During discussions about the model, several business-unit managers said that they themselves were partly to blame for TDE's perceived shortcomings. The managers admitted that they did poor evaluations of their own developmental needs and that they failed to understand TDE's role, scope, and potential.

Both the managers and the TDE staff had traditional views of training. They did not visualize the department as a potential partner for achieving business objectives.

A major concern was that TDE's efforts weren't linked to bottom-line improvements. In fact, managers' expectations in that area ranged from nonexistent to unrealistic. To address the problem, the TDE model describes two areas of performance criteria against which the department should be measured.

TDE-direct results. These results are linked to specific interventions. TDE-direct results are reasonable, largely behavioral criteria coupled with specific outcomes determined by a needs analysis. TDE-direct results prompt observable changes in individual and group behaviors, actions, skills, knowledge, attitudes, or awareness.

By far the most meaningful measure of training's contribution can be found in TDE-direct results. Using TDE-direct results, business-unit customers are able to evaluate the extent to which training has added value.

TDE-influenced results. These results are broader in scope than TDE-direct results. TDE-influenced results have to do with long-term positioning for market leadership, cost-effectiveness, employee productivity, customer satisfaction, ROI, strategic growth, and ethical practices.

TDE-influenced results are affected by factors outside the control of the training function, including general economic trends, market forces, and organization culture. Despite the power of those factors, TDE can still do much to improve such factors as cost-effectiveness, productivity, and customer satisfaction.

Reality check

PPG formed a training-leadership board to help steer TDE on the right course. Chartered by PPG's chief executive officer, the board is made up of a cross section of business-unit leaders. The chairperson is a member of the CEO's management committee.

To help ensure that TDE could strengthen the company's market positions, the board commissioned a benchmarking project. Today, the TDE model serves as a basis for comparison against the companies that do best in training, development, and education—including the Baldrige Award winners.

The most important outgrowth of the board's early guidance was a requirement that TDE address the issue of professional development. To accomplish that assignment, the department drew upon the knowledge and experience of several of PPG's line managers and human resource managers. They were asked, "What makes PPG professionals successful?" They answered with a set of performance characteristics that eventually became known as the PPG competencies.

The focus group of line and human resource managers described eight areas of competency:

- quality
- safety, health, and environment
- "blueprint values" related to PPG's corporate mission statement
- supervision
- leadership
- planning
- business knowledge
- individual effectiveness.

Professionals at PPG must be effective in those eight areas if they are to be successful. TDE refined the general competencies into standards for accomplishment and into relevant developmental-resource recommendations. That was not an easy task. The accomplishments and recommendations had to be appropriate for large numbers of people in various jobs and at different organizational levels.

First, TDE's professional-development team analyzed PPG's organizational hierarchy. Team members identified seven basic professional job levels, two of which were divided according to degree of experience and subordinate job values.

The hierarchy looked like this:

- level 1—professionals with up to two years of experience
- level 2A—nonsupervisory professionals with two to four years of experience
- level 2B—nonsupervisory professionals with five or more years of experience
- level 3A—supervisors who lead single frontline production/maintenance

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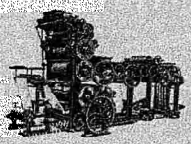
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or nonexempt work teams
- level 3B—supervisors of groups of nonexempt and exempt work teams
- level 4—managers of supervisors of groups of work teams
- level 5—managers of resources for single business units or major staff functions
- level 6—managers who are responsible for groups of business units or groups of major staff functions
- level 7—the chief executive officer and chief operating officer.

TDE's next challenge was to describe the degree of skill required at each job level in each competency area and to make the descriptions easily understandable. The solution was a PPG learning matrix. On the matrix, the eight competency areas appear on the horizontal axis, and the nine organization levels appear on the vertical axis, creating 72 cells. In each cell is a description of the specific behaviors that professionals at that particular level must practice in order to be successful.

For example, planning is a job requirement for both a sales supervisor (level 3B) and a business-unit manager (level 5), but the specific planning competency is different at each level.

The matrix description for the supervisory planning competency reads, "Plans use of resources in satisfying the customer and communicates tactical plans to the work team." The planning competency for business-unit managers reads, "Integrates business plans with global markets, implements strategies, and develops budgets to meet strategic plans." The separate descriptions for the same competency reflect appropriate differences in scope and breadth.

Throughout, the PPG learning matrix attempts to fine-tune performance criteria for each level of professional effectiveness.

Going to the source

PPG's *Professional Development Sourcebook* is a direct outgrowth of TDE's discussions with business-unit managers, who helped our department identify and refine the nature of the contributions we could make toward successful job performance. As a diagnostic tool, the sourcebook helps managers and other employees clarify job-competency requirements and helps them explore developmental activities for attaining the competencies.

The sourcebook also happens to be an attractively packaged marketing tool, showcasing TDE's services to internal customers. The sourcebook was designed to be a user-friendly, self-contained system that enables employees to plan their own developmental growth. It's also meant to be a training tool to help individuals, work teams, and departmental groups conduct needs analyses. It has been used as a discussion starter in internal consulting and as a basis for customizing training approaches.

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can use the learning matrix and a set of companion tools contained in the sourcebook to prepare individual plans for professional development. The matrix and sourcebook help employees position their career goals in the context of business realities and appropriate skill levels.

The sourcebook contains a competency-development worksheet that helps employees assess the competency requirements of their present jobs or targeted jobs. Once they've identified the competencies critical to job effectiveness, they can determine their strengths and their developmental needs by measuring their present capabilities against the specific competency descriptions provided in the worksheet's glossary.

The matrix provides cross-references to specific pages of the competency-development guide, which is part of the sourcebook. The guide provides practical, action-oriented suggestions related to each competency area and arranged under these headings:

- effective behaviors
- sources of information
- developmental suggestions
- readings
- training programs
- ways to practice.

Recommended training programs are listed near the end of the guide, with matrix levels listed for each. TDE encourages people to consider effective, inexpensive developmental alternatives, many of which involve on-the-job experiences. Course content of the listed training programs is targeted to the needs of employees at various organizational and competency-development levels. The sourcebook also provides practical advice, recommended reading, and examples of effective behavior for handling conflict.

The competencies described in the learning matrix and further explained in the competency-development guide offer specific dimensions of performance for particular jobs and job areas. By defining and understanding the functional competencies for a specific job and by conducting probing discussions with job incumbents and managers, TDE can design relevant recommendations for performance improvement.

Even when we don't formally develop a separate set of competencies for a specific professional area, we can review the eight competency areas and identify priorities for a job function in our needs-analysis discussions with managers.

The sourcebook has many other uses. For example, TDE helps business units in succession planning; the sourcebook helps us pinpoint the types of skills needed in the company's job hierarchy.

The kinds of initiatives that prepare managers for greater responsibilities tend to be on-the-job opportunities rather than in-house training programs. The sourcebook is a good reference for on-the-job developmental ideas and for specific actions

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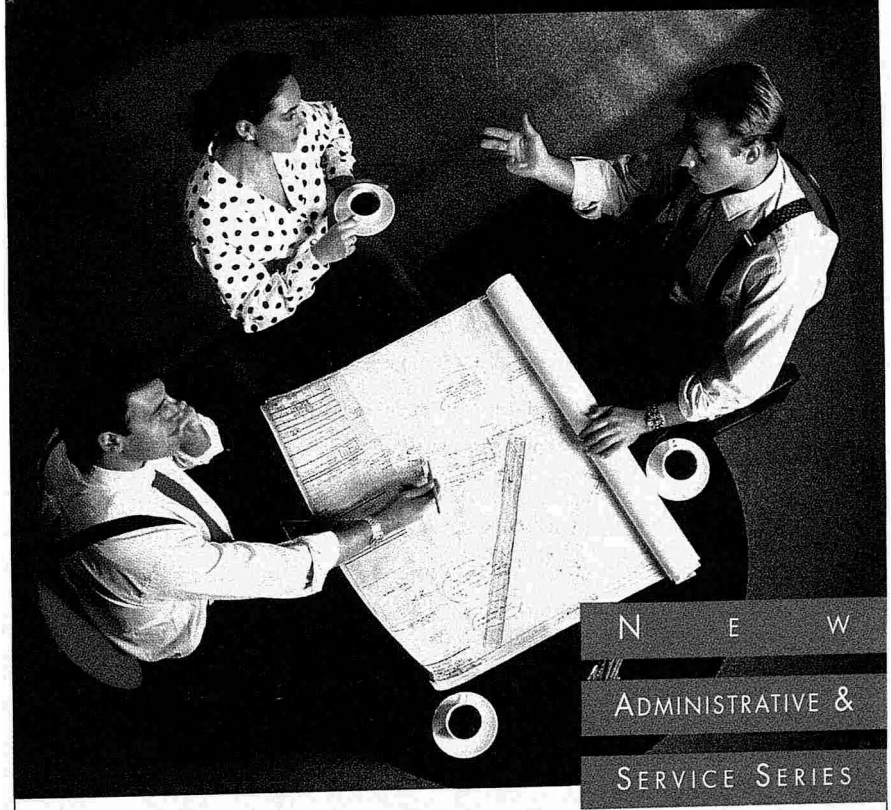

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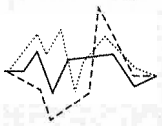

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to help employees build their skills.

The competencies defined in the sourcebook are also used in PPG's highly structured process for job-selection interviews. Job interviews that are based on specific, performance-related competencies help the company obtain detailed, behavioral examples of candidates' qualifications for a variety of professional positions. The interviews—whether conducted by functional managers or by HR specialists—now produce information that is highly predictive of success on the job.

PPG also sponsors an employee education-assistance program, and the sourcebook supports its use as a developmental strategy. But we find that the sourcebook's on-the-job developmental ideas relate more to real-world work requirements than do most college courses. So the on-the-job approaches suggested by the sourcebook are likely to improve employees' skills and competencies more quickly than formal college courses would.

The TDE model, the product-management and business-liaison approaches, and the *Professional Development Sourcebook* have all contributed to TDE's main goal of transforming a commodity-based manufacturing organization into a more flexible competitor in customer-driven markets. To be successful in its newly crafted role as a partner to its internal customers, the training and development function at PPG has evolved into a microcosm of the larger relationship the corporation is establishing with its customers around the world. ■

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