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Strategic Training
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Abstract

Organizational success depends on the knowledge, skills and abilities of the workforce. In a learning organization, retention of talent, intellectual capital and knowledge management are vital to support the company's mission, vision and strategic goals. Trends such as globalization, technology, outsourcing, the aging workforce and competition for talent all contribute to the necessity to invest in human capital. Thus, to promote competitive advantage, a key HR leadership role is to identify, design and implement strategic training and development initiatives.

Introduction

Traditionally, the purpose of training and development has been to ensure that employees can effectively accomplish their jobs. Today, the business environment has changed, with intense pressure on organizations to stay ahead of the competition through innovation and reinvention. In fact, according to the 2006 *SHRM Workplace Forecast*, the importance of continued learning is an overarching trend of societal needs, indicating that organizations must foster learning as a social responsibility to ensure they are competitive in the global marketplace.¹

By definition, training and development refers to the process to obtain or transfer knowledge, skills and abilities needed to carry out a specific activity

or task.² The benefits of training and development—for both the employer and employee—are, in fact, much broader. To meet current and future business demands, training and development encompasses a wide range of learning actions, from training for tasks and knowledge sharing to improved customer service and career development, thus expanding individual, group and organizational effectiveness.

Strategic positioning of training and development directly promotes organizational business goals and objectives (see Figure 1). Key business challenges require that companies thoughtfully evaluate their market position and determine the talent, skills and knowledge to be successful. While the overall responsibility for training

and development usually falls under the human resources department, the reporting relationship between HR and the training function varies from company to company. For purposes of discussion in this article, it is assumed that HR has responsibility for the training and development function.

The Business Case

In *The New American Workplace*, authors James O'Toole and Edward E. Lawler III highlight key trends that point to why organizations must focus on continual learning and job training: rapid changes in technology, the exportation of jobs (e.g., manufacturing), downsizing, shortcomings in formal education (e.g., high school level), global competition and the aging workforce. Yet, while many organizations increasingly focus on training, development tends to be neglected. As a result of the shift from company to individual responsibility for career development, not all employers feel obligated to provide development opportunities. Further, when economic times are difficult, development becomes a prime target for budget cuts. However, O'Toole and Lawler emphasize the social and moral responsibility of the organization to develop employees beyond their current job and offer opportuni-

Figure 1 | Trends that Affect Training and Development

1. Focus on business needs and performance.
2. Training and development seen as a key change management vehicle.
3. Emphasis on capture, interactive update, storage, protection and use of intellectual capital.
4. Promotion of learning management systems, integration of business processes and real-time learning.
5. Development of partnerships for training.
6. Increasing demand for virtual work arrangements.
7. Delivery of training through new technologies.

Source: Adapted from Noe, R. A. (2005). *Employee training and development* (3rd edition). Boston: McGraw-Hill/Irwin.

ties to learn and grow, for career and social mobility.³

At the same time, due to the shift to a knowledge-based economy, there is an increased drive to develop learning organizations. Business trends such as rapid advances in technology, changing definitions of competencies for leadership and global competition are fueling the need to create learning organizations. The business advantages of continuous learning—expansion of human capital knowledge and business performance—place HR in the key leadership role to focus on strategy, design and implementation of training and development.⁴

Still other trends emphasize the importance of training and development. Intellectual capital has become a critical factor for competitive advantage. The development of partnerships for knowledge sharing (e.g., consultants and/or academic partners as subject matter experts in webinars) has increased. To develop specialized programs, such as executive programs in corporate university settings, training departments often work closely with academic partners to prepare high-potential employees for leadership roles.⁵ Further, competition due to globalization is a significant business challenge, thus bringing focus on the importance of global mindset. These trends and business challenges

have created the need for strategic approaches to training and development. HR’s ability to align human capital resources with the business

2. Expand the view of whom to train.
3. Accelerate the pace of employee learning.
4. Prepare employees to deal better

Differences in industry, business goals, human capital skills and resources influence the selection of learning imperatives.

strategy and improve workforce skills through strategic training and development is paramount for organizational success (see Figure 2).

Factors in Strategic Training and Development

When strategically applied, continuous learning fosters knowledge and skills acquisition to help the organization achieve its goals. HR’s role is to establish and implement a high-level roadmap for strategic training and development. The starting point is an in-depth understanding of the business environment, knowledge of the organization’s goals and insight regarding training and development options. HR must then develop strategic learning imperatives (high-level, learning-related actions that an organization takes to be competitive) that align with business goals. Differences in industry, business goals, human capital skills and resources influence the selection of learning imperatives. Below are some examples.⁶

1. Diversify the learning portfolio.

with customers.

5. Ensure that employees believe there are opportunities to learn and grow.
6. Effectively capture and share knowledge.
7. Diagnose and modify the work environment to support transfer and learning.

To determine appropriate strategic learning imperatives, HR explores and gathers information (see Figure 3). For example, regarding diversification of the company’s learning portfolio, one might ask, “How are resources allocated?” Or, to accelerate the pace of learning, an important question is “Which employee groups need to quickly acquire new knowledge?”⁷

According to the *2007 Job Satisfaction, a Survey Report by the Society for Human Resource Management*, the ability to use skills in the workplace and the opportunity for career development were rated as very important by both HR and employees.⁸ Employees want opportunities to grow (see Figure 4), or they will leave,

Figure 2 The Strategic Training and Development Process			
Business Strategy	→ Strategic Training and Development Initiatives	→ Training and Development Activities	→ Metrics that Show Value of Training
<ul style="list-style-type: none"> ■ Mission ■ Values ■ Goals 	<ul style="list-style-type: none"> ■ Diversify the learning portfolio ■ Accelerate the pace of employee learning ■ Improve customer service ■ Capture and share knowledge 	<ul style="list-style-type: none"> ■ Use web-based training ■ Make development planning mandatory ■ Develop web sites for knowledge sharing 	<ul style="list-style-type: none"> ■ Learning ■ Performance improvement ■ Reduced customer complaints ■ Reduced turnover ■ Employee satisfaction

Source: Noe, R. A. (2005). *Employee training and development* (3rd edition). Boston: McGraw-Hill/Irwin.

taking with them valuable institutional knowledge. As highlighted in SHRM’s 2007 *Benefits* survey report, companies today offer a broad range of benefits to help employees advance in their careers: 96% offer professional development opportunities (e.g., seminars, conferences, courses, training to keep skills current); 91% pay for professional memberships; 27% offer career counseling; 26% offer a formal mentoring program; 12% offer foreign (non-English) language classes; and 6% provide ELS classes (English as a second language).⁹ Organizations that invest in opportunities for growth and learning generate significant returns on employee retention, motivation, trust and initiative. For example, global organizations committed to employee development (e.g., Proctor & Gamble, Intel, Boeing, Cisco, Dell, PepsiCo) attract highly qualified candidates.¹⁰

Therefore, initiatives such as strategic training and development that directly support the organization’s strategic goals and objectives are essential. To evaluate training and development—from pre- to post-training—HR should follow a sequenced process to determine the strategic value of training outcomes: 1) conduct a needs analysis; 2) develop measurable learn-

ing outcomes and analysis of transfer of training; 3) develop outcome measures; 4) select an evaluation strategy; and 5) plan and execute the evaluation process. Training outcomes include cognitive outcomes (safety rules, steps in appraisal process), skill-based outcomes (listening and coaching skills), affective outcomes (satisfaction with training, attitudes regarding other cultures), results (lower absenteeism, fewer accidents), and return on investment (economic value measured in dollars).¹¹

Benefits of a Learning Organization

In 1990, Peter Senge’s book, *The Fifth Dimension*, brought the concept and value of a learning organization to the attention of the business community.¹² To develop, nurture and maintain a learning organization requires strategic focus on the purpose of learning for both the employer and the employee. For a learning organization to be effective, leadership support and guidance of continuous learning is vital, beginning with the CEO. For applied learning, a supportive work environment is critical (see Figure 5). To reap business benefits, HR should focus on:

- 1) designing training and develop-

ment, keeping end results in mind, such as performance and capacity goals; 2) leveraging learning/knowledge assets; and 3) including key organizational characteristics in the overall integrated approach to training and development.¹³ Training and development programs also offer opportunities to employees to build internal and external networks and learn from other participants.¹⁴

Today, the relationship between the organization and the employee has changed. There is greater emphasis placed on the value of individual and team contributions to find business solutions. The employee is viewed as a ‘learning customer’, bringing personal preferences and motivation to the workplace. The learning organization therefore requires an environment that supports growth for individual capability and experience and, at the same time, increases business performance.¹⁵ For learning to truly benefit both the organization and the employee, the employer must consider the learner—the employee—as a vital investment for business success. In the book *Work-Based Learning*, author Joseph Raelin recommends action learning to support learning-work integration.¹⁶ The following mini-case study illustrates a direct link between the organization’s mission and action learning that benefits both the employer and the employee, highlighting the strategic link between learning, motivation and organizational effectiveness.

Mini-Case Study #1 – Providing Reliable and Superior Customer Service¹⁷

This world-class luxury hotel company is known for reliable and superior customer service. To maintain its high standards—and guarantee that a new best practice is reliable and transferrable—the organization requires

Figure 3 | Recommendations to Determine Strategic Training Imperatives

- Examine the distribution of current and learning offerings (by type and audience).
- Understand which jobs have the most rapidly changing knowledge requirements.
- Pinpoint areas where customer contact personnel may know less than the customers with whom they interact.
- Assess employee perceptions of growth and learning opportunities.
- Examine how organizational changes are affecting knowledge and skill requirements.
- Audit how well current offerings are aligned with strategic needs.
- Diagnose the readiness of the work environment to support continuous learning.

Source: Adapted from Tannenbaum, S. (2006). A strategic view of organizational training and learning. In K. Kraiger (Ed.), *Creating, implementing and managing effective training and development: State-of-the-art lessons for practice* (pp. 10-53). San Francisco: Jossey-Bass.

any unique practice that is changed, refined or updated by an employee be simple, process-specific and reliable for quality and cost. When changes are recommended by an employee, the development opportunity is for the employee to take on the role of 'internal consultant' to other hotels within the organization. To duplicate the new best practice, the employee provides information to the hotels with a follow-up visit to ensure the practice is correctly duplicated and applied. If the new practice is successfully transferred, the company assists the employee with his or her next career move within the organization. Thus, the policy to transfer best-in-company practices, through innovative employees, supports both the organization and the employee by providing improved customer service and rewarding the employee.

The Value of Training and Development

For the organization to gain true value from strategic training and development, senior management must be fully committed to organizational learning (see Figure 6). Consequently, it is important that HR understands the concept of training transfer (i.e., transfer of learning). Researchers have developed theoretical models and

studied the relation to training transfer and the impact of training characteristics such as work environment factors, training design variables and trainee characteristics. In particular, the social

identification of work problems and situations), thus linking learned capability and real-world application.¹⁹

Potential obstacles that inhibit transfer

For the organization to gain true value from strategic training and development, senior management must be fully committed to organizational learning

learning theory points to the criticality of self-efficacy for effective learning. Key factors are the employee level of motivation, ability to understand and previous knowledge and skill. Value is also influenced by goal setting (for example, organizational commitment to training, work performance expectations and/or acquisition of new skills) and employee participation in decision-making on training needs.¹⁸ Another key model regarding training is the cognitive theory of transfer, a process model of learning. According to this theory, the likelihood of transfer is dependent on the trainee's ability to retrieve and use learned capabilities in the workplace. In training programs, training transfer is further enhanced through application assignments that create simulations to apply learning in the work setting (e.g.,

of learning include work conditions (time pressures, few opportunities to use skills), lack of peer support (discouragement of use of new skills/knowledge on the job, training viewed as a waste of time), and lack of management support (managers who do not offer training opportunities, reinforce training or provide encouragement for employees to use training content). Self-management skills, behaviors and strategies can help employees to overcome such barriers, such as setting goals to use new skills, finding ways to apply learning on the job, monitoring use of new learning on the job and providing self-reinforcement.²⁰

Finally, by improving and/or building on the work climate to transfer training, the value of training can be further optimized. The following recommendations by researchers Machin and Fogarty offer strategies that HR can use to positively influence training outcomes: 1) provide trainees with social cues (e.g., written acknowledgment by manager of work well done, such as in the performance appraisal process) that validate that transfer training is supported by management; 2) provide positive reinforcement (recognition in company newsletter); 3) provide evidence of targeted improved performance due to transfer training; and 4) link transfer of training to future job success.²¹ Through such

Figure 4 Key Employee Development Strategies	
Mentoring or coaching	360 degree feedback, formal coaching, day-to-day interactions with leaders
Personal development plan	Many options (e.g., reading, attending conferences, visiting other companies, engaging in experiences to broaden perspectives)
Temporary assignments	Participating in ad hoc teams (projects in addition to regular duties), internships, job swaps
Mobility	Learning from stretch assignments (e.g., functional rotations, international assignments to develop global sensitivity)
Outside experience	Participation in community service, sabbaticals, fellowships to universities

Source: Adapted from Ulrich, D., & Brockbank, W. (2005). *The HR value proposition*. Boston: Harvard Business Review.

strategies and by establishing policies and practices that support training and development, HR further reinforces the message that the organization values learning.

Return on Investment

Today, training programs cannot merely be a ‘good idea’ but must directly relate to measurable performance metrics that will advance the company’s business plans. Return on investment (ROI), a process that compares the monetary benefits or outcomes of training with the cost of training, is a critical factor for strategic training and development. ROI benefits/outcomes is the value gained by the organization. For example, onboarding that results in retention of new staff = decreased cost of turnover, and increased customer base due to improved call center service = increased member retention and/or revenue base.

Training programs have direct and indirect costs. Examples of direct costs are salaries and benefits of employees

involved in training, program materials, equipment rentals and travel costs. Indirect costs include general office supplies, travel and expenses not billed to one program and training department staff salaries and benefits not related to one program.²² A cost-benefit analysis is the process to determine the economic value of a training program. The primary factors involved in a cost-benefit analysis are 1) direct costs; 2) indirect costs; 3) development costs; 4) overhead costs; 5) lost production costs; and 6) compensation for trainers. The cost-benefit analysis should also include factors such as the outcomes (e.g., number of accidents) and annual amount of benefits (i.e., operational results). Specific metrics that can be applied to measure training include training costs per hour (total training costs divided by total training hours), number of employees trained (employees trained divided by the total number of employees), and training costs (total training cost divided by number of employees trained). Training programs that have clearly defined

goals and outcomes—and have an impact that can be isolated—are best suited for ROI analysis.²³

To measure the ROI of training and development, some organizations use the balanced scorecard approach. The balanced scorecard has four perspectives that training and development can influence: customer (such as with metrics such as performance, service, cost, time, quality); internal (e.g., processes that can influence customer satisfaction); innovation and learning (e.g., employee

satisfaction, continuous improvement, operating efficiency); and financial (e.g., growth, profitability, shareholder value).²⁴ Although this article does not allow for further in-depth discussion of ROI, it is clearly of strategic importance in the evaluation of training and development.

Technology for Training

Technology is a fundamental training platform. A number of factors contribute to the increasing use of technology in training and development: 1) the decreased cost of technology; 2) the increasing use of the World Wide Web, multimedia, e-learning and upcoming technologies, such as web conferencing platforms; 3) greater use of contingent workers (part-timers, consultants) to deliver training, no matter the geographic location of trainer and trainee; 4) significant cost savings (travel, housing, food); and 5) the ability to build different elements into programs to improve the learning environment (practice, feedback, reinforcement).

As a result of technological advances, organizations gain in innovation, effectiveness and success. For example, training programs that combine various technologies (such as instructional design, computer science and graphic interfaces) have the potential to help employees increase their ability to learn. New technology also leads to the development of ‘smart’ products that assist employees to do their job better, such as improved customer service (technology to track shipping and delivery processes). Additionally, with the increase of virtual work arrangements, technology connects virtual knowledge teams where employees may be located in multiple time zones, different countries, and/or companies.²⁵ Consequently, much

Figure 5 | Work Environment Factors that Affect Continuous Learning

- Tolerance of mistakes during learning
- Use of assignments to develop people
- Openness to new ideas and change
- Training policies and practices
- Supervisor encouragement for learning and innovation
- Situational constraints to learning (time, resources)
- Co-worker support
- Opportunities to use newly acquired skills on the job
- Encouragement to share knowledge
- Availability of space for collaboration
- Reward and recognition practices
- Channels of communication

Source: Tannenbaum, S. (2002). A strategic view of organizational training and learning. In K. Kraiger (Ed.), *Creating, implementing and managing effective training and development: State-of-the-art lessons for practice* (pp. 10-53). San Francisco: Jossey-Bass.

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traditional classroom instruction is being replaced by technology, through interfaces such as the Internet, intranets and CD-ROMS. For trainers, the benefits of online learning include streamlining the learning process and not having to coordinate schedules with trainees. For trainees, the benefits include the ability to access courses online without having to leave work and 'just in time' learning. Technology also allows for the design of training material that promotes learning motivation, stimulation and retention. The underlying assumptions of these benefits are cost reductions and efficiency of learning.²⁶

From a strategic viewpoint, however, research reveals questions regarding the effectiveness of learning processes and outcomes of technology-based training in organizations. For example, it is important that learner characteristics are built into the technology to facilitate—not hinder—active and engaged learning. Depending on the organization's strategic goals, HR will want to explore and select the best programs by considering issues such as online learning options (e.g., text, graphics, animations), selecting the right vendor, and available processes for learning and outcome evaluations.²⁷ In addition, design and delivery of training are critical aspects of individualized learning. While beyond the scope of this article, HR would benefit from being aware of certain factors of technology instruction, such as structure (does it support a learning environment?),

presentation of information (does it facilitate active learning?), and learner control (can employees select content focus area, the sequence of learning and the intended learning strategies?).²⁸ With these factors in mind, HR will be better positioned to strategically evaluate programs for the organization.

Corporate Universities

As a vehicle for strategic training and development, the corporate university (CU) has been gaining in popularity and sophistication, with approximately 1,000 established each year. The CU encourages a learning culture, drives strategic change, develops creativity and promotes innovation. Its purpose is to create deliberate formative experiences that serve a number of strategic priorities, such as integration, culture building and knowledge management. A key

strategic change management initiative, the CU can restore intellectual capital lost through delayering (i.e., creating an organization with fewer layers), downsizing and mergers. BAE Systems is an example of a company that has used the corporate university as a strategic process for post-merger integration, creating a learning organization, establishing knowledge management across business units and developing senior leaders.²⁹

Through the use of technology and e-learning, the CU is rapidly becoming a virtual learning organization. E-learning programs optimize resources through substantial cost savings (e.g., reduced time away from the job) and delivery flexibility (e.g., pace of learning, reaching employees in geographically dispersed areas and at virtual work bases).³⁰ In fact, the 2006 *SHRM Workplace Forecast* cites the increased development and use of e-learning as a top trend.³¹ The following mini-case study offers insight into benefits and barriers of e-learning as related to the corporate university.

Figure 6. The Learning Organization

Feature	Description
Continuous learning	Employees share learning with each other and use job as basis for applying and creating knowledge.
Knowledge generation and sharing	Systems are developed for creating, capturing and sharing knowledge.
Critical systematic thinking	Employees are encouraged to think in new ways, see relationships and feedback loops and test assumptions.
Learning culture	Learning is rewarded, promoted and supported by managers and company objectives.
Encouragement of flexibility and experimentation	Employees are free to take risks, innovate, explore new ideas, try new processes and develop new products and services.
Valuing employees	System and environment focus on ensuring the development and well-being of every employee.

Source: Adapted from Gephart, M. A., Marsick, V. J., Van Buren, M.E., & Spiro, M. S. (1996, December). Learning organizations come alive. *Training and Development*, 50(12), 34-45.

Mini-case Study #2: The Implementation and Use of E-learning in the Corporate University³²

This study explored the use of e-learning in the corporate university setting at three large firms in the finance, aerospace and telecom sectors. At each organization, interviews were held with the senior development executive leading the e-learning strategy and implementation as well as with e-learning managers. Additional data were collected through interviews with senior corporate university and e-learning development staff and focus groups of practitioners and academicians.

All three firms viewed e-learning as an opportunity to cut costs and expand training. At the bank, lower costs, ease of accessibility and flexibility of delivery were the primary drivers to use e-learning. E-learning courses covered areas such as generic IT skills, interpersonal skills and training on sector-specific qualifications; face-to-face learning interactions for high-level courses were still preferred. The engineering company in the aerospace industry created a virtual CU to provide a complete learning life cycle, from orientation to executive training. Based on organizational strategic goals, the purpose of e-learning was to share best practices and encourage lifelong learning. In fact, the virtual corporate university was a key component to develop the company's integrated knowledge management and learning strategy. However, technology was found to be a major barrier, due to lack of capabilities of hardware and software programs. The telecom company used e-learning as a strategic function to deliver consistent programs throughout its global firm; but due to its diverse workforce, it could not use a one-size-fits-all approach, such as 'off-the-shelf' programs with American English. In addition, training had previ-

ously been used as an employee 'reward', to get away from work for a few days; the change in training from classroom to distance learning was met with resistance. Other barriers included 1) differing attitudes among the workforce toward training and technology due to mergers and acquisitions; 2) poor pedagogical design (i.e., lack of appropriate use of technology for interactive learning activities); 3) questions about the value of the e-learning programs; and 4) lack of understanding of how to use e-learning.

As illustrated in this mini-case study, low cost and ease of delivery of e-learning were viewed as key benefits of the CU. E-learning was used to strategically drive the learning agenda. However, poor program design and worker attitudes toward e-learning were distinct disadvantages. To evaluate the return on investment of e-learning within corporate universities, it is recommended that HR use e-learning as a change management vehicle by preparing the workforce for a shift in training style.

Strategic Outsourcing

Outsourcing training and development has a number of business advantages. From an HR perspective, the following are among the top benefits: 1) increased time to focus on the core competencies of training and development; 2) access to the most up-to-date technology; 3) increased cost control and tracking; and 4) use of expertise and technology without increasing fixed costs. Training vendors can provide a number of services, such as overall training administration, assessment of training needs, design and delivery of training, and evaluation. However, it is important to note that when programs require customization, the cost will be greater than a standard program.³³

When determining whether outsourcing is appropriate for the organization, HR must also consider the time, availability and responsibility of HR staff to manage, oversee and monitor the vendor process. From a strategic viewpoint, a number of vital factors are also important to explore before entering into a contract: 1) select a vendor that knows the organization's industry; 2) determine if the vendor shares the same values as the organization; 3) establish business protocols (i.e., relationship management; for example, frequency of regular contacts, identification of the primary contact at the vendor); 4) have agreed-upon measures of success; 5) clarify how disputes will be handled; and 6) select vendors whose expertise can be leveraged in the future.³⁴ With these parameters in mind, HR can make the best decisions for the organization regarding outsourcing training and development programs.

Global Mindset for Training and Development

One of the most critical factors to successfully compete in today's global business environment is "global mindset". Global mindset is a viewpoint or attitude through which an individual balances competing needs in the international management process with functional business priorities (country – local and headquarters). Global mindset requires a pluralistic perspective, with a wide cross-border orientation and the ability to immerse oneself in the local perspective. Through clear and consistent communication of its advantages for the organization, the CEO sets the tone for the successful development of global mindset throughout the company.³⁵

Global mindset has two differing, yet complementary, perspectives: a

psychological focus (development of managers in multinational companies) and a strategic viewpoint (development of the transnational enterprise). Psychologically, global mindset is defined as the ability to accept differences and work well with cultural diversity. In contrast to domestic managers, people with global mindset tend to have broad perspectives, understand the context of decisions and are suspicious of ‘one-best-way’ solutions (see Figure 7). Managers with global mindset work effectively across functional, organizational and cross-cultural boundaries. They work well with ambiguity, trust process over structure and are flexible and adaptable.³⁶

Global mindset goes well beyond the vision statement. It reflects how the firm makes and implements strategic decisions and goals. The establishment of a workplace environment in which global mindset flourishes is essential, so that both the company and its workforce grow and learn. The responsibility for developing global mindset is that of the organization’s senior leaders (e.g., business unit, functions, country leaders) using company core values, culture, performance management and leadership development. However, there can be a ‘dark side’ of global mindset, in that some consider it to be superior to local perspectives and view local attitudes as parochial and narrow-minded.³⁷

One of the most effective ways to develop global mindset is through international assignments and virtual and global work teams. Individuals who work abroad in long-term assignments are more likely to serve on international project groups, gain integrative leadership skills and establish informal communication networks of cross-border (personal and profes-

sional) relationships so vital to success in the global marketplace. In the past, the purpose of these assignments had been primarily demand-driven (filling the talent gap when local knowledge is not yet sufficient). Today, international assignments are often learning-driven. For example, to integrate global mindset in the overall development process, employees are sent overseas at an early stage in their professional career. By exposing employees to international assignments in the initial stages of the career cycle, employers may avoid barriers to mobility—such as dual-career families, children’s education and elder care responsibilities—which often impede employee acceptance of an international position.³⁸

However, international assignments are expensive. To avoid these high costs, many companies now focus on global project teams and task forces. Through exchange of ideas and solutions to business problems in an international setting—specifically in virtual and global teams—employees develop the ability to think globally. Effective training to develop global mindset includes projects, action learning and the exploration of different perspectives, which help to develop an in-depth understanding of dilemmas in global management and promote understanding the complexity of the outside environment (the global-local environment). No matter the training mechanism and process, it is essential to keep in mind that global mindset balances perspectives which can appear to be contradictory. Thus, the global mindset paradigm is *think locally, act globally*.³⁹

In view of the importance of global mindset, HR can foster strategic value of training and development by providing opportunities for employees to develop and utilize global mind-

set. Specifically, such actions include educating management about global mindset and its competitive advantage in the marketplace, supporting developmental opportunities through long-term international assignments and virtual and global teams, and providing global awareness programs. The formation of cross-functional or global project teams, for example, is a critical opportunity to introduce global awareness training, which can help eliminate misunderstandings. Overall, HR is well-positioned to promote competitive advantage through providing the “developmental glue” for global mindset.

In Closing

Clearly, in a highly competitive global marketplace, strategic training and development is key. A prime example is the program that won a SHRM human capital award, the Innovative Business Solution Award (presented to an HR department that successfully develops a creative and ethical solution to a new or ongoing organizational challenge and demonstrates bottom-line value of people strategies). In October 2007, IBM won this award for its “Blue Opportunities, an Innovative Approach to Career Development,” providing learning and growth opportunities in the workplace. Focusing on sharing knowledge and skills among the company’s 356,000 global employees, this program offers staff development opportunities (job shadowing, stretch assignments and cross-divisional projects). The program is virtual; employees work from their home base without changing jobs.⁴⁰ Thus, as highlighted by this human capital award, through the identification and implementation of solutions using strategic training and development, HR directly provides excellence in the face of today’s business trends.

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Figure 7. Global Mindset – Compared to Traditional “Domestic” Mindset

Traditional Domestic Mindset	Global Mindset	Personal Characteristics
Functional expertise	Broad and multiple perspectives	Knowledge
Prioritization	Duality—balance between contradictions	Conceptual ability
Structure	Process	Flexibility
Individual responsibility	Teamwork and diversity	Sensitivity
Predictability	Change as opportunity	Judgment
Trained against surprises	Open to what is new	Learning

Source: Adapted from Rhinesmith, S. H. (1993). *A manager's guide to globalization*. Burr Ridge, IL: Business One Irwin.

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