

Employee Training and Development



Fifth Edition

Raymond A. Noe

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The Ohio State University

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This book is dedicated to the many who have helped to train
and develop me along the way, including

My wife: Caroline

My kids: Ray, Tim, and Melissa

My parents: Raymond J. and Mildred Noe

The many close friends who have touched my heart and made
me laugh

The teachers who have shared their wisdom

The graduate students who have worked with me over the years

Raymond A. Noe

Preface

Traditionally, training and development was not viewed as an activity that could help companies create “value” and successfully deal with competitive challenges. Today, that view has changed. Companies that use innovative training and development practices are likely to report better financial performance than their competitors that do not. Training and development also helps a company to meet competitive challenges. Current recessionary economic times have resulted in cuts in training and development budgets. However, companies need to continue to rely on efficient and effective training practices to help employees strengthen or increase their skills in order to improve or make new products, generate new and innovative ideas, and provide high quality customer service. Also, development activities and career management are needed to prepare employees for managerial and leadership positions and to attract, motivate, and retain talented employees at all levels and in all jobs. Training, development, and career management are no longer in the category of “nice to do”—they are a “must do” in order for companies to gain a competitive advantage and meet employees’ expectations.

Businesses today must compete in the global marketplace, and the diversity of the work force continues to increase. As a result, companies need to train employees to work with persons from different cultures both in the United States and abroad. New technologies such as Web-based training and iPods reduce the costs associated with bringing employees to a central location for training. At the same time, the challenge is how to ensure that these training methods include the necessary conditions (practice, feedback, self-pacing, etc.) for learning to occur. Also, through the blended learning approach companies are seeking the best balance between private, self-paced, technology-based training (such as online learning), and methods that allow interpersonal interaction among trainees (such as classroom instruction or active learning).

The role of training has broadened beyond training program design. Effective instructional design remains important, but training managers, human resource experts, and trainers are increasingly being asked to create systems to motivate employees to learn, create knowledge, and share that knowledge with other employees in the company. Training has moved from an emphasis on a one-time event to the creation of conditions for learning that can occur through collaboration, online learning, traditional classroom training, or a combination of methods. There is increased recognition that learning occurs outside the boundaries of a formal training course.

Also, the employee-employer relationship has changed. Due to rapidly changing business environments and competition that can quickly cause profits to shrink and skill needs to change, companies are reluctant to provide job security to employees. At the same time, as employees see downsizing take place (or experience it themselves!), they are reluctant to be fully committed to company goals and values. As a result, both employees and companies are concerned with developing future skills and managing careers. Companies want a work force that is motivated and productive, has up-to-date skills, and can quickly learn new skills to meet changing customer and marketplace needs. Employees want to develop skills that not only are useful for their current jobs but also are congruent with their

personal interests and values. Employees are interested in developing skills that can help them remain employable with either their current employer or a future one. Given the increasing time demands of work, employees are also interested in maintaining balance between work and nonwork interests.

The chapter coverage of *Employee Training and Development* reflects the traditional as well as the broadening role of training and development in organizations. Chapter 1 introduces the student to the role of training and development in companies. Chapter 2, “Strategic Training,” discusses how training practices and the organization of the training function can support business goals. Because companies are interested in reducing costs, the amount of resources allocated to training is likely to be determined by how much training and development activities help the company reach business goals. Topics related to designing training programs are covered in Chapters 3 through 6. Chapter 3, “Needs Assessment,” discusses how to identify when training is appropriate. Chapter 4, “Learning: Theories and Program Design,” addresses the learning process and characteristics of a learning environment, and it provides practical suggestions for designing training to ensure that learning occurs. Chapter 5, “Transfer of Training,” emphasizes what should be done in the design of training and the work environment to ensure that training is used on the job. Chapter 6, “Training Evaluation,” discusses how to evaluate training programs. Here the student is introduced to the concepts of identifying cost-effective training; evaluating the return on investment of training and learning; and determining if training outcomes related to learning, behavior, or performance have been reached. Chapters 7 and 8 cover training methods. Chapter 7, “Traditional Training Methods,” discusses presentational methods (e.g., lecture), hands-on methods (e.g., on-the-job training, behavior modeling), and group methods (e.g., adventure learning). Chapter 8, “E-Learning and Use of Technology in Training,” introduces the student to new technologies that are increasingly being used in training. These technology-based training methods include Web-based instruction, distance learning, e-learning, iPods, simulations, virtual worlds, and blended learning. Chapters 7 and 8 both conclude by comparing training methods on the basis of costs, benefits, and learning characteristics.

Chapter 9, “Employee Development,” introduces the student to developmental methods (assessment, relationships, job experiences, and formal courses). Topics such as 360-degree feedback and mentoring are discussed. Chapter 10, “Special Issues in Training and Employee Development,” discusses cross-cultural training, diversity training, school-to-work programs, and skill-based pay. Chapters 11 and 12 deal with careers and career management. Chapter 11, “Careers and Career Management,” emphasizes the protean career and the career management process. Chapter 12, “Special Challenges in Career Management,” deals with special issues that trainers, employees, and managers face. These issues include skills obsolescence, plateauing, career breaks, employee orientation and socialization, work-life balance, downsizing, outplacement, and retirement. Last, Chapter 13, “The Future of Training and Development,” looks at how training and development might be different 10 or 20 years from now.

Employee Training and Development is based on my more than 20 years of teaching training and development courses to both graduate and undergraduate students. From this experience, I have realized that managers, consultants, trainers, and faculty working in a variety of disciplines (including education, psychology, business, and industrial relations) have contributed to the research and practice of training and

development. As a result, the book is based on research conducted in several disciplines while offering a practical perspective. The book is appropriate for students in a number of programs. It suits both undergraduate and master's-level training courses in a variety of disciplines.

DISTINCTIVE FEATURES

This book has several distinctive features. First, my teaching experience has taught me that students become frustrated if they do not see research and theory in practice. As a result, one distinctive feature of the book is that each chapter begins with a vignette of a company practice that relates to the material covered in the chapter. Many examples of company practices are provided throughout the chapters. Each chapter ends with a case and related questions that give students the opportunity to apply the chapter's content to an actual training or development issue.

A second distinctive feature of the book is its topical coverage. The chapters included in Part 2 relate to training design (needs assessment, training methods, learning environment, transfer of training, and evaluation). Instructional design is still the “meat and potatoes” of training. Part 3 covers the more exciting part of training and development, that is, training and development methods. But as the role of managers and trainers broadens, they are increasingly involved in understanding career issues and career management. For example, managers and trainers need to be concerned with understanding generational differences in employees' career needs, career paths, cross-cultural training, diversity, outplacement, skills obsolescence, and succession planning—topics that fall outside the realm of instructional design. These topics are covered in the chapters included in Part 4 of the book.

The book begins with a discussion of the context for training and development. Part 1 includes chapters that cover the economic and workplace factors that are influencing trends in the training profession. In addition, these chapters discuss the need for training, development, and learning to become strategic (i.e., to contribute to business strategy and organizational goals). Why? In successful, effective training, all aspects of training—including training objectives, methods, evaluation, and even who conducts the training—relate to the business strategy. More and more companies are demanding that the training function and training practices support business goals; otherwise training may be outsourced or face funding cuts. Although students in business schools are exposed to strategic thinking, students in psychology and education who go on to become trainers need to understand the strategic perspective and how it relates to the organization of the training function and the type of training conducted.

Not only has technology changed the way we live and the way work is performed, but it also has influenced training practice. As a result, one chapter of the book is devoted entirely to the use of new technologies for training delivery and instruction, such as online learning, blended learning, iPods, virtual worlds, and personal data assistants (PDAs).

The book reflects the latest “hot topics” in the area of training. Some of the new topics discussed in the book are corporate universities, outsourcing training, developing and measuring human capital, learning management systems, competencies, knowledge management, e-learning, the use of mobile technology (such as iPods and PDAs) and virtual worlds (such as Second Life) for training. Each chapter contains the most recent academic research findings and company practices.

FEATURES DESIGNED TO AID LEARNING

Employee Training and Development provides several features to aid learning:

1. Each chapter lists objectives that highlight what the student is expected to learn in that chapter.
2. In-text examples and chapter openers feature companies from all industries including service, manufacturing, and retail, and nonprofit organizations.
3. Discussion questions at the end of each chapter help students learn the concepts presented in the chapter and understand potential applications of the material.
4. Important terms and concepts used in training and development are boldfaced in each chapter. Key terms are identified at the end of each chapter. These key terms are important to help the student understand the language of training.
5. Application assignments are useful for the students to put chapter content into practice. Most chapters include assignments that require the student to use the World Wide Web.
6. Cases at the end of each chapter and part help students apply what they have learned to training and development issues faced by actual companies.
7. Name and subject indexes at the end of the book help in finding key people and topics.

WHAT'S NEW IN THE FIFTH EDITION

I want to personally thank all of you who have adopted this book! Based on the comments of the reviewers of the fourth edition and training research and practice, I have made several improvements. Some important changes in the fifth edition of *Employee Training and Development* stand out:

- Each chapter has been updated to include the most recent research findings and new best company practices. New examples have been added in each chapter's text.
- All the chapter opening vignettes are new. For example, the opening vignette for Chapter 8, "E-Learning and use of Technology in Training," highlights how Dunkin' Donuts® is using a blended learning approach to help franchisees run a successful and profitable business.
- This edition offers new and expanded coverage of such topics as outsourcing training, business-embedded training functions, knowledge management, blended learning, learning management systems, intangible assets and human capital, implications of the aging work force for training and development, new technologies in training, (including virtual worlds such as Second Life), and how to design programs, courses and lessons.
- Each chapter ends with application assignments, including new and updated Web-based exercises. These assignments are also found on the book's Web site.
- Each chapter concludes with a brief case that illustrates a training, development, or learning issue faced by a company. The case questions ask students to consider the issue and make recommendations based on the chapter content.
- To help students better understand the connections between topics, the book is now organized into five different parts. Part 1 focuses on the context for training and development and includes a chapter devoted to strategic training. Part 2 includes coverage related to the fundamentals of designing training programs. Chapters in Part 2 focus on

needs assessment, learning theories and program design, transfer of training, and training evaluation. Part 3 focuses on training and development methods and includes chapters devoted to traditional training methods, e-learning and the use of technology in training, employee development, and special issues in employee development, such as managing diversity, succession planning, and cross-cultural preparation. Chapters in Part 4 cover career issues and how companies manage careers as well as challenges in career management, such as dealing with work-life conflict, retirement, and socialization. Finally, Part 5 provides a look at the future of training and development.

- New to this edition, *BusinessWeek* cases at the end of each of the five parts of the book look at training and development issues companies are facing and encourage students to critically evaluate each problem and apply what they have learned in that part of the text.

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The author is only one of many important persons involved in writing a textbook. The fifth edition of this book would not have been possible without the energy and expertise of several persons. Editor Laura Spell gave me free rein to write the training book I wanted to write and provided helpful ideas and suggestions regarding how to improve the book. Jolynn Kilburg, developmental editor, and Michelle Gardner, project manager, both deserves kudos for ensuring that my ideas made sense and my writing was clear, concise and easy to understand.

I take full responsibility for any errors, omissions, or misstatements of fact in this book. However, regardless of your impression of the book, it would not have been this good had it not been for the reviewers. Special thanks to the manuscript reviewers who provided me with detailed comments that helped improve the fifth edition of the book for students and instructors. These reviewers include

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